

## 04 - 0341

This is the final report use of the marketing funds appropriated to the Minnesota Department of Agriculture (MDA) under Laws of 1999, Chapter 231.

Laws of 1999, Chapter 321, Section 11 appropriated \$480,000 for the first year and \$420,000 for the second year to the Commissioner of Agriculture for programs to aggressively promote, develop, expand and enhance the marketing of agricultural products from Minnesota producers and processors.

Laws of 2001 First Special Session, Chapter 2 canceled the unobligated balance of the appropriation for marketing agricultural products authorized under Laws 1999, chapter 231, section 11. The Legislature authorized the remaining \$345,000 appropriation to the Commissioner of Agriculture to continue work on an identity preserved customer profile, a cooperative shippers association and trade market development activities.

The first section of this report summarizes progress on the \$345,000 authorized under Laws of 2001 First Special Session, Chapter 2. The balance of the report summarizes agency activities stated in previous quarterly reports.

### **Market Development Activities:**

The 2001 Legislature authorized \$170,000 for contracting for trade marketing specialists or other market development activities identified by the commissioner. The trade specialists must demonstrate thorough knowledge of Minnesota agricultural producers and products, and opportunities for developing or expanding both broad and niche agricultural product markets nationally and internationally. The trade specialists must coordinate efforts with market development and trade experts of the World Trade Conference Center and other public and private Minnesota entities involved in marketing Minnesota products. To the extent practicable, the trade specialists must provide specific assistance to small agricultural producers and producers that would benefit from the development of international markets. This is a one-time appropriation and is available until spent.

In June of 2001, the Minnesota Department of Agriculture and the Minnesota Trade Office sponsored a reverse trade mission with members of the Mexican poultry, feed and Jalisco agricultural industry. Minnesota Identity Preserved (IP) producer groups are interested in establishing direct sales and marketing relationships with their end customers. This same interest has been expressed by the Mexican poultry industry.

The objective of the reverse trade mission was to launch Minnesota's premier soybean product, NORSOY, with representatives from the Mexican poultry producers, feed manufacturers, crushers and the Jalisco Agricultural Council. NORSOY is a high quality IP soybean source of essential amino acids for the Mexican poultry industry, supplied by Minnesota IP producer groups.

In September 2001, Commissioner Hugoson met with Rodrigo Diaz de Sollano, Secretary of Rural Development for the state of Jalisco and representatives of the Jalisco Agricultural Council. MDA and the Jalisco Ag Council signed a \$75,000 cooperative agreement to further develop ways to promote trade opportunities between Jalisco and Minnesota. Jalisco is deficient in canola and soybeans – crops that Minnesota produces. Jalisco is interested in market opportunities for products such as coffee, fruits and vegetables.

The agreement calls for four key objectives: 1) To identify products to import or export between Minnesota and the Jalisco Ag Council; 2) to promote, strengthen and publicize the relationship with Minnesota; 3) to develop market studies; and 4) to organize commercial events, fairs and expositions. Jalisco is also interested in establishing joint venture investment responsibilities in Jalisco to produce products for Minnesota consumers such as fruit and vegetables during the winter season.

Jalisco is uniquely situated in Mexico to assess consumer markets. Eighty percent (80%) of the Mexican population lives within 350 miles of Jalisco. The Mexican food market has growth potential in that sixty-five percent (65%) of the Mexican population is 25 years old or less. Mexico imports ninety-five percent (95%) of oil needs.

### **IP Customer Profile:**

The legislature directed that \$75,000 in fiscal year 2002 is for the commissioner to develop a customer profile for identity preserved crops. This is a one-time appropriation and is available until spent. Globalization of agricultural marketplace is forcing a transition from the traditional production to market-oriented production. Identity preservation is an important part of this transition because more often than not the marketplace is demanding that identity of certain products is preserved so that the quality or certain trait(s) of a product is assured.

Identity Preserved (IP) crops are traced back to their origin, segregated from similar products, and not co-mingled into a commodity flow at any point prior to delivery. The idea behind IP is that by preserving the identity of these higher value crops, processors can have their specific needs met and users are assured that they are getting the quality and characteristics they demand. Farmers who grow these specialty crops can also expect to sell them for a premium price.

The department published a call for proposal in the State Register with a well-defined scope of the study. Global Resources, a seasoned firm in international agricultural trade with offices in St. Paul, MN and Chicago, IL, was awarded a contract to carry out the study for \$75,000. Since the award, a list of agricultural IP products and their traits that are important to Minnesota agriculture have been identified in consultation with various university and industry experts and leaders. Global market segments that are significant to these products have been selected. The study surveyed the major players in these markets in an attempt to understand the current market conditions as well as future trends. In-country experts were contacted, in addition to the survey, to provide further understanding of the dynamics in a given market.

The final report contains: 1) an overview of agricultural trade in selected markets such as Japan, Mexico and China, including current trade channels, government regulations, marketplace infrastructure, challenges and road blocks to trading agricultural products freely in each of the selected market segments; and 2) profiles of significant players in each of these markets. This study will lay a foundation to our understanding of the future marketplace. The report will also be an educational tool to better understand the dynamics of agricultural trade in the selected markets.

Through careful examination of the export market, the selected base IP crops were soybeans, corn and wheat. Those commodities will be promoted in four countries including:

- China, which holds the most potential for future IP crop marketing.
- Japan, which is the largest IP crop export market.

- Mexico, which is an expanding IP market.
- The United States, which is the largest IP crop market in the world.

After identifying promising IP crops and international markets, the study developed a list of prospective buyers. The customer database was compiled through various world-wide sources. After being contacted, almost 300 people have shown an interest in purchasing Minnesota IP crops direct from Minnesota growers and local suppliers through the MDA's Buyer Assistance Program.

### **Cooperative Shippers Association:**

The legislature authorized \$100,000 the first year for grants for a cooperative shippers' association. The purpose of the shippers' association is to facilitate agricultural marketing through efficient and economical movement of products from Minnesota origins to their destinations. Products may include agricultural commodities and processed and manufactured agricultural products. The shippers' association shall also assist small and medium-sized producers by providing services that increase negotiating power and provide quality transportation services at a lower cost than is available to an individual shipper. The commissioner may award grants to one or more qualifying producer shippers' association that contract to enter into collaborative agreements with the departments of agriculture, trade and economic development and transportation; farm organizations; processors and handlers of Minnesota agricultural products; and other appropriate public and private entities knowledgeable in the logistical and financial issues involved in moving agricultural products to market. Along with other services, an eligible grant recipient must agree to provide or arrange for identity-preserved, single-source billing and tracking transportation services from agricultural producers or processors to destination customers; freight forwarding; negotiations for volume contracts; banking and insurance services; government inspection fee and documentation services; intermodal transportation services using sealed containers; and liaison services with the United States Department of Agriculture and the Foreign Agricultural Service for international trade and export programs. This is a one-time appropriation and is available until spent.

MDA held a public meeting on November 5, 2001 to critique a plan for establishing a Minnesota Shippers Association (MSA). The formation of the shippers association was a study recommendation written by Global Resources. Those attending the public meeting were Mr. Bob Zelenka, Executive Director of the Minnesota Grain and Feed Association and Mr. Tom Cashman, Executive Director of Northwest Agri-Dealers Association.

In January 2002, the Minnesota Department of Agriculture executed a \$100,000 grant with the Minnesota Grain and Feed Association for the purpose of developing a (cooperative) Minnesota Shippers Association. The Minnesota Grain and Feed Association (MGFA), a voluntary non-profit trade association consists of nearly 400 cooperatives and independent country grain elevators, feed mills and farm supply firms.

The MGFA proposes to establish the Minnesota Shippers Association (MSA) as a separate cooperative entity housed in the MGFA office and administered through the MGFA. The grant contract has three deliverables. First, to develop a non-profit corporate structure, including by-laws, Board of Directors structure and office arrangements. Second, identify organizations, associations and individuals as potential members of the MSA. Third, develop a MSA information and education initiative, to include meetings, promotional and development of an Internet presence.

## **Risk Management**

MDA established a network of Regional Risk Management Specialists and Certified Farm Management Consultants and allocated \$240,000 (\$40,000 for each of the six farm management regions) to initiate six pilot risk management programs. The overall goal of the partnership is to develop a curriculum and infrastructure for a professional farm risk management certification program within the State of Minnesota

Producers are faced with an expanding array of risk management tools such as revenue insurance, hybrid contracts and trade options, in addition to the traditional crop insurance, forward contracts, futures and options. MDA and the Minnesota State Colleges and Universities Adult Farm Business Management Program invited professionals to participate in the new Minnesota Certified Risk Management Program. The voluntary certification program offered professionals such as crop insurance agents, commodity brokers, farm lenders elevator managers, educators and others who work with farm families in risk management to become certified risk management planners.

During November and December of 2000, MDA co-sponsored a series of producer seminars titled "How to Develop a Marketing Plan" in cooperation with the University of Minnesota Extension Service and various commodity organizations. The seminars were held at 12 locations around the state with over 1,100 producers attending. Evaluations indicate that the program "exceeded expectations" while survey results reveal that producers rated the following six topics as priorities out of 12 choices: 1) use of puts, calls and other marketing tools; 2) advanced futures and options strategies; 3) elements of a commodity marketing plan; 4) difference between market outlook and strategies; 5) development of a farm business plan; and 6) use of contracts in farming.

On May 22-26, 2000, MDA conducted a 40-hour Regional Risk Management Specialist Basic Training Course. Each of the six MnSCU Farm Management regions sent a qualified individual to attend the one-week basic training course. To become certified, program participants must meet three requirements. First, they must attend a 40-hour basic certification course. Second, they must sign onto a 12-part Code of Ethics. Finally, they must pass a basic certification exam.

Graduates of the 40-hour workshop contracted with the MDA to develop a voluntary certification program for agricultural risk management professionals and advance risk management education for producers in their respective regions. The program was tailored to manage risks associated with marketing, production, financing, personal liability and legal risks.

Total funds directed to Risk Management activities were \$240,000.

### **Minnesota Wheat Council**

MDA approved a grant contract in the amount of \$12,000 to assist the Minnesota Wheat Council in developing the Toolshed Project. Grant funds were used for the development of the futures market, local market and basis charting section of the web site. Funds were also used to develop and print educational material to be used in educational seminars. The Toolshed demonstration site may be viewed at: [www.agnewsonline.com](http://www.agnewsonline.com)

## **State Meat Marketing**

Minnesota's State Meat Inspection Program was established by the MDA in November of 1998. The State Meat Inspection Program continues to facilitate growth in small to medium-sized processors in rural communities. The Agricultural Utilization Research Institute (AURI) concluded a survey of the state's processors to determine industry needs. Key issues raised include the shortage of labor supply in rural areas, writing and monitoring HACCP plans, business planning initiatives, marketing and promotional skills, and financing needs for business upgrades.

Finalization of the work plan on this project was delayed due to a staff resignation. No grant funds went into the State Meat Inspection Program.

## **Ellison Meats**

A grant contract of \$22,500 was awarded to Ellison Meat Company. The project goal was to identify the superior performance characteristics of premium Minnesota farm-raised pork that foodservice operator segments find most desirable. The state appropriation was available to the extent that each dollar of state funding was matched by one dollar of non-state funding.

The project was designed to market a new product line of high quality pork products using the highest standards of quality processing procedures including Ellison's ISO 9002 certification. The company has the ability to offer antibiotic-free, no growth hormone and environmentally friendly raised pork products in the marketplace. The project targeted upscale 'white table cloth' restaurants and high-end retail supermarkets. Grant funds were used to cover half the cost of a food service marketing study.

A project report titled "Category Assessment: Premium Pork" was written by Technomic, Inc., 300 South Riverside Plaza Chicago, Illinois. The overall assessment was that the premium pork segment of the foodservice pork category represents an attractive opportunity for Ellison Meats. This is based on:

- The premium pork segment is sizable and growing at a rate incremental to the pork category and foodservice industry in total.
- While the segment requires greater definition in the minds of customers, the competitive set appears highly fragmented and is not executing well against the premium pork niche.
- Ellison's products, premium pork positioning and 'story-to-tell' are all compelling strengths/competencies to exploit; meaningful marketplace relevance can be obtained.

Recommendations included establishing appropriate market position, formalizing the product portfolio, and completing a premium pork business plan.

## **Minnesota Certified (MNCERT)**

MDA awarded a \$5,000 grant contract to Global Resources Associates Inc. Consideration for services performed pursuant to this grant contract was: 1) to identify and examine relevant certification processes currently being used; 2) to define the certification requirements of some likely end customers; 3) to identify potential liability issues; 4) to determine fees associated with various aspects of a certification program; and 5) to determine how fees are paid and who pays them. MDA did not require a non-state match for this project.

It is envisioned that MNCERT will provide a process to examine production and compliance criteria, and if the product or process is certified, monitoring and auditing will be provided to assure label integrity. MDA would contribute governmental oversight of the certification program to insure that certification standards have been implemented on all farms of the agricultural enterprises that have applied for certification. The long-term vision for the certification procedure is that the MDA, instead of conducting every certification, will certify the certifiers. Executive summary attached to this report.

### **Minnesota Certified Pork (MNCEP)**

MDA awarded a \$15,000 grant contract to the Department of Animal Science at the University of Minnesota. The project goal is to effectively implement and certify high food quality and safety standards on MNCEP member farmers to produce pork that is differentiated from commodity pork. Grant funds were used to develop a written market plan and a production manual providing producers with guidelines to meet demands of certain market segments. The project had private funds to match the state appropriation.

MDA awarded a \$35,000 grant contract to the MNCEP cooperative. The project goal is to promote and test market superior quality pork products, traceable back to the farm(s) of origin, produced by independent farmers, guaranteeing a minimized risk of food-borne threats to human health through standardized, audited and certified production procedures. Consideration for all services performed pursuant to this grant contract was: 1) \$ 8,000 for in-store demonstrations of MNCEP products; 2) \$19,000 to develop MNCEP promotional materials; and 3) \$ 8,000 to promote superior quality pork products in the U.S. A letter written by David Starner, MNCEP President, is attached to this report and summarizes use of grant funds.

Prepared by:

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Assistant Commissioner  
Minnesota Department of Agriculture  
July 9, 2002

## Attachments

Attachment A – Minnesota Certified Reference Notebook

Attachment B – MNCEP Summary Letter from President, David Starner

Attachment C – Executive Summary, Identity Preserved Agricultural Products, Market Overview and Customer Profile

Attachment D – Executive Summary, Identity Preserved Crop Handling and Shipping Systems.





# Minnesota Certified Reference Notebook

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*Customer-Focused Certification*

2001

Minnesota Department of Agriculture

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Global Resource Associates Inc. / FasTrack



# Minnesota Certified Reference Notebook

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*Customer-Focused Certification*

2001

Minnesota Department of Agriculture

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# **1. Certification Processes Brief**

## **1. Certification Processes Brief**

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The purpose of this brief is to examine agricultural certifications that reflect the current and future direction of agricultural production related to customer-focused, customer-driven standards.

The following examples, covering a broad range of agricultural products, can be used by the Minnesota Department of Agriculture (MDA) to:

- Further define the MDA's own third- party certification program and

- Identify Minnesota producer organizations or associations that MDA might want to encourage to consider adopting or promoting standards programs to their members.

Table 1, at the end of this section, depicts the categories of potential standards along with the categories of various types of certifying organizations. Categories of potential standards include producer, industry, government, ISO, and customer developed standards. Categories of types of certifying organizations include producer-certification, industry association certification or industry approved certification organization, government certification or government accredited certification organization, ISO accredited certification organization, and customer certification or customer designated certification organization. This matrix approach can be used as a tool to better understand what is driving a standard and to graphically make a preliminary comparison among standards and certifying organizations.

The following is a summary of some relevant certification programs identified. A few examples from below are included in the matrix (Table 1).

### **California Cattlemen's Association (CCA). Quality Certification Program (QCP)**

Contact Information: Stephanie Davis, [stephanie@calcattlemen.org](mailto:stephanie@calcattlemen.org), website [www.calcattlemen.org/qap.htm](http://www.calcattlemen.org/qap.htm)

Description: This certification program is designed by the industry to promote good feedlot management practices. QCP is a voluntary, self-certified program whose primary goals are: to base certification on scientifically developed data and training, to inspire consumer confidence, and to ensure that California beef is produced safe at the source. The QCP can be used in conjunction with the CAA's Value Added Program.

### **California Cattlemen's Association (CCA), Value Added Program (VAP)**

Contact Information: Stephanie Davis, [stephanie@calcattlemen.org](mailto:stephanie@calcattlemen.org), website [www.calcattlemen.org/qap.htm](http://www.calcattlemen.org/qap.htm)



Description: The CCA has established standards for a Value Added Program (VAP) in response to production challenges as seen by producers, feeders, packers, veterinarians, and other allied industry members in California. The VAP standards are promoted and made available to producers. However, the certification is a self-certification whereby the producer uses industry-developed forms to certify that the prescribed standards have been followed. These completed forms follow the animal and provide future owners with documentation of what has been administered and verify that all required procedures have been completed. The VAP can be used in conjunction with the CAA's Quality Certification Program.

### **California Certified Organic Farmers (CCOF), Inc.**

Contact Information: 1115 Mission Street, Santa Cruz, California 95060, Tel 831-423-2263, Fax 831-423-4528, email [ccof@ccof.org](mailto:ccof@ccof.org), website [www.ccof.org](http://www.ccof.org)

Description: CCOF is a statewide non-profit membership association of organic farmers, food processors, handlers, and retailers and the primary certification and trade association for the organic industry in California. The association consists of 14 regional chapters in California, along with a Handler Chapter. Its purpose is to promote and support organic agriculture in California through a premier organic certification program, programs to increase awareness of and demand for certified organic product, and advocacy for governmental policies that encourage organic agriculture. In 1992, CCOF began an industry-sponsored certification program for processors, in 1996 implemented a handler certification program, and in 1997 introduced a retailer certification program. CCOF now offers organic certification services and technical and regulatory information. CCOF employs and trains its inspectors. It is accredited by USDA ISO Guide 65 to certify according to the National Organic Program regulations. A copy of CCOF's Certification Handbook can be found in Appendices E.

### **Canadian Quality Assurance Program (CQA)**

Contact Information: Alberta Quality Pork – Dawn LeBlanc, Program Coordinator, Tel 780-422-4844; Ontario Pork – Ken Ovington, Director of Operations Services, Tel 416-621-1874, email [kovington@ontariopork.on.ca](mailto:kovington@ontariopork.on.ca), website [www.ontariopork.on.ca](http://www.ontariopork.on.ca)

Description: The Canadian pork industry sponsors a voluntary program, in partnership with provincial governments, designed to improve management for the entire industry. For example, in Alberta the program is run by Alberta Quality Pork and in Ontario it is run by Ontario Pork. The program was launched in Ottawa on April 18, 1998. Producers who enroll in the program receive a Canadian Quality Assurance binder containing the Producer Manual and an Assessment Form; a series of appendices containing product information for all swine medications; wall charts listing injectables and their withdrawal times; and an injection techniques poster and pocket notebooks. CQA was required for delivery to all large pork processors beginning in the year 2000. Under the CQA, producers develop management plans and keep records regarding eight different aspects of production, including antibiotic drug-use. A producer is certified after following the plan consistently for three months and then independent evaluators visit at least once every three years. However, the documentation and records of treatments and feed mixing are reviewed on an annual basis by a program-trained validator. It is felt by the Canadians that this program provides less flexibility for meeting specific quality demands than the USDA program but

may be effective in persuading foreign buyers that Canadian pork meets drug-residue and other food safety standards.

### **ISO 9002 Certification, Colusa Elevator Company**

Contact Information: Nick Huston, Branch Manager, 319-372-7852, email [njhuston@interl.net](mailto:njhuston@interl.net) website [www.colusaelevator.com](http://www.colusaelevator.com)

Description: The Colusa Elevator Company at Wever, Iowa, sought the ISO 9002 certification from United Registrar of Systems UK as a means of capitalizing on value-added agriculture and the increasing need/demand for identity preserved (IP) grains. They were one of the first to market high-oil corn and among the first to install near-infrared technology. Under the ISO standard, the elevator sets strict standards for handling and storing grain, keeps close track of every facet of the operation, and checks to be sure that desired results are achieved. Management prides itself on "fixing any deficiencies" and promotes the fact that "their grain doesn't go to the elevator, it goes to every dinner plate around the world." In the past, grain received by the elevator was tested for five factors, including foreign matter and moisture content. Now, those same samples yield information for more than 20 traits, all in about 90 seconds. The longer-term goal is to have more of the value-added chain become ISO 9002 certified including seed, fertilizer, and other links. In fact, the Colusa Elevator is currently helping farmers obtain ISO certification. In addition, Mr. Huston has been presenting at various seminars aimed at helping farmers determine where they fit into the system, how they can benefit economically, and the required record keeping process for farmers and elevators to retain the ISO certification. Colusa Elevator Company has a second River Terminal and 3 country elevators in Illinois. Note: At this time, 5 additional elevators in Iowa now have ISO 9002 certification.

### **Excel Corporation**

Contact Information: Dr. Dell Allen, 316-291-2500, Wichita, Kansas Tel 316-291-2500; Karen Nugen, Tel 316-291-2500 Ext 2675; Ray Hammarlund, Cooperative Development Specialist, Kansas Department of Commerce, Agricultural Products Development Division, Topeka, Kansas, Tel 785-296-3084, Fax 785-296-3776

Description: Excel, a wholly owned subsidiary of Cargill, launched a Kansas branded beef program in Japan. Daiei, the sole distribution partner in Japan, is using labels and point-of-purchase marketing materials promoting the fact that the beef was raised and processed in Kansas according to Ray Hammarlund at the Kansas Department of Commerce, Ag Products Division. The certification is provided by Excel with the primary purpose of verification/traceability that it is, in fact, Kansas beef. While the Kansas Department of Agriculture is not involved in granting the certification, the agency was involved in the initial program development with Excel and Daiei. Excel believes that vertical coordination in the beef industry, as well as other agricultural sectors, will be the driver for an increase in certification requirements. Numerous examples are included in the Alliances and Vertical Coordination Programs Directory in Appendices H. This listing is regularly updated at [www.drovers.com](http://www.drovers.com). Excel promotes quality and control from "Farm to Fork" which places a heavy reliance on standards, procedures, and verification. Therefore, suppliers throughout the chain will need to provide factual and meaningful information needed by end customers.

### **Georgia Department of Agriculture (GDA), Vidalia Onion Certification**

Contact Information: Robert A. Harris, Assistant Commissioner, Marketing Division, Georgia Department of Agriculture, Fax 404-656-9380, website [www.agr.state.ga.us](http://www.agr.state.ga.us)

Description: Based on a Georgia state law and a Federal Marketing Order, the Vidalia Onion Act of 1986, onions must meet a geographic production standard in order to be certified as Vidalia Onions. The Georgia Department of Agriculture holds the trademark for the name Vidalia and strictly controls its use. For example, recently GDA began communicating with Del Monte Fresh Produce Inc. on alleged violations of this Act. Del Monte has been accused of falsely packaging, labeling, shipping and distributing up to 1,920 five-pound bags of onions as Vidalia Onions to two companies in Florida. Under the Act, Del Monte could receive fines of not less than \$1000 or more than \$5000 for each bag of onions sold. Georgia's 2000 crop was valued at approximately \$82 million; therefore, individuals misrepresenting Vidalia onions by substituting them with foreign-grown, inferior products can severely harm the Vidalia name and reputation. Currently the growing region is defined to include only those onions produced in 13 licensed counties and portions of seven others, all in Georgia. Although the yellow granex hybrid is grown in many other parts of the country, it is only in the defined production area that the soil and climate combine to produce the special characteristics of the sweet Vidalia Onion. Last year the legislation was amended to authorize the inclusion of certain new varieties of onions to be included and, secondly, to expand the Department's registered U.S. Certification Mark Vidalia in respect to onions to include products that contain Vidalia onions. For example, the label on Progresso French Onion soup indicates Vidalia Onions as an ingredient and includes the GDA's Vidalia registered Certification Mark (see Appendices I).

### **Japanese Agricultural Standards, Certification Program for Importers of Non-GMO/IP Crops**

Contact Information: Heidi Reichert, AMS -Shipper and Exporter Assistance, USDA. Tel 202-690-2325, Fax 202-690-1498, email [Heidi.Reichert@usda.gov](mailto:Heidi.Reichert@usda.gov)

Description: In April 2000, the Japanese government launched a new system for labeling genetically modified crops and processed foods made from those crops. The new requirements are based on the amended Japanese Agricultural Standards (JAS) Law. This system relates to bulk transportation and is designed to ensure supplies of IP, non-GMO ingredients. The government-designed system provides guidelines for certification at each point in the production and distribution process where commingling may occur. Corroborators at each stage from farm to manufacturer issue self-certification confirming that the product was identity preserved by the handlers. Issuers of certificates at each stage attach copies of the certificates for each previous stage along with their own certificates to send to the certificate issuer for the next stage. The importer issues a certificate to the wholesaler or manufacturer covering all stages of handling before the product reached Japan and does not pass along copies of the above-mentioned certificates. When a wholesaler sells to a food manufacturer through a secondary wholesaler, the secondary wholesaler issues IP certification accompanied by a copy of the certification from the importer. Handlers at each stage must keep records and other documents detailing their handling of the product in order to guarantee and confirm the accuracy of certificates. Certificates, records and other documents for each stage must be kept for a minimum of two years. A certain level of unintentional commingling during distribution is anticipated and is unavoidable even if crops are identity preserved.

### **USDA/AMS, National Organic Program (NOP)**

Contact Information: Keith Jones, Program Manager, USDA-AMS-TMP-NOP, Room 2945-So, Ag Stop 0275, P.O.Box 96456, Washington, DC 20090-6456, Tel 202-720-9858, website [www.ams.usda.gov/nop](http://www.ams.usda.gov/nop); Catherine Greene, Economic Research Service, USDA, Tel 202-694-5541, email [cgreene@ers.usda.gov](mailto:cgreene@ers.usda.gov); Mark Bradley, Quality Manager, MGCB/USDA/AMS, Tel 202-720-1124.

Description: The Meat Grading and Certification Branch (USDA/AMS) has been designated as the competent authority for the assessment and accreditation of organic certification agencies for compliance with the International Organization for Standardization (ISO) Guide 65, general requirements for bodies operating product certification programs. This is a cost-recovery-based program that establishes national standards for the production and handling of organically produced products including a national-level accreditation program administered by AMS for State officials and private persons/organizations who want to be accredited as certifying agents. Under the program, certifying agents certify production and handling operations in compliance with the requirements of this regulation and initiate compliance actions to enforce program requirements. Accredited bodies must conform to ISO Guide 65 and a list can be found at [www.ams.usda.gov/lsg/mgc/iso65.htm](http://www.ams.usda.gov/lsg/mgc/iso65.htm). USDA sponsors an accreditation training program in conjunction with the National Organic Standards Board to provide preliminary assistance to organizations wishing to establish a certification program in compliance with ISO Guide 65.

### **National Pork Producers Council (NPPC), Pork Quality Assurance Program (PQA)**

Contact Information: National Pork Producers Council, Pork Quality Assurance, P. O. Box 10383, Des Moines, Iowa 50309, email [pork@nppc.org](mailto:pork@nppc.org); website [www.nppc.org/prod/pqa](http://www.nppc.org/prod/pqa)

Description: PQA is a three-level management education program. Level I includes producer responsibilities under the Hazard Analysis and Critical Control Point (HACCP) plan and a food safety overview; Level II consists of a self-review; and Level III includes the 10 Good Production Practices of the PQA program and is intended to serve as a review with a verifier who can be a veterinarian, extension specialist, or agricultural education instructor. The purpose of the verifier is for the producer to have a means of getting feedback and recommendations for improvement. Completion of this program is now required for delivery to some packers. The goal is to facilitate greater quality management throughout the industry. However, the program is limited to training and does not provide on-going monitoring. The producer signs a certification form verifying that they have reviewed, with a verifier, the 10 Good Production Practices of the PQA program and the verifier certifies that the producer has met the requirements for Level III designation from NPPC.

### **ISO Guide 65 Certification, Non-GMO Quality Grains**

Contact Information: Lowell & Vicki Krieger, Krieger Farms, O'Neill, Nebraska 68763, Tel 402-336-3875, Fax 402-336-3875, email [kriegerfarms@inebraska.com](mailto:kriegerfarms@inebraska.com), website [www.qualitygrains.com](http://www.qualitygrains.com)

**Description:** This group is comprised of a number of farmers in Western Iowa and Eastern Nebraska growing non-GMO corn and soybeans for food and feed. The soybeans are tofu type and the yellow corn is a white cob, hard endo-sperm type that can be used for either food or feed. The crop production, handling, and storage for both the beans and the corn were certified last year by Certification Headquarters based on ISO Guide 65. However, these crops can be sold with or without certification and in any size quantities. This group does not do any organic production. The purpose of the certification was two-fold. First, to meet the requirements of customers that wish to source a certified product; and, secondly, to have a means of controlling the product quality and consistency when delivery was being made by several producers. At this website, it is possible to view detailed test results for each grower from both Midwest Laboratories, Inc. located in Omaha and the Illinois Crop Improvement Association IP Grain Laboratory Report. The group is not jointly pursuing certification for this years crops; however, some individual growers will seek a renewal of their certification.

### **North American Bison Cooperative (NABC)**

**Contact Information:** Chad Bullinger, 1658 Highway 281, P.O. Box 672, New Rockford, ND 58356-0672, Tel 701-947-2505 (Ext 329), Fax 701-947-2105, [www.nabisoncoop.com](http://www.nabisoncoop.com)

**Description:** This certification program for producers was developed and established by NABC and relies on self-certification. Since the bison industry itself has little regulation, the Cooperative has established standards for all participating producer members as well as provides the certification for food quality and safety. The NABC standards were established to meet USDA/FSIS, HACCP, and European Union requirements. Participating members provide written affidavits, witnessed by their veterinarians, that their bison have been raised hormone and antibiotic-free. Residue testing and carcass grading is conducted by NABC. The registered trademark is Buffalo Nickel.

### **Sunbelt Pork Cooperative**

**Contact Information:** Georgia Pork Producers Association, 3920 Arkwright Road #135, Macon Georgia 31210, Tel 912-477-8200, Fax 912-477-7766; Dr. John McKissick, Agricultural Economics, University of Georgia, Athens, Georgia email [jmckissick@agecon.uga.edu](mailto:jmckissick@agecon.uga.edu)

**Description:** This cooperative is still functioning, however, at this time they do not have any processing as a cooperative, but rather as individual producers. In the past, the cooperative employed field staff to assist producers with the implementation of standards that would enable them to self-certify to the standards established by the cooperative.

### **Texas State Department of Agriculture (TSDA), ISO Guide 65 Certification**

**Contact Information:** Leslie McKinnen, TSDA, 1700 North Congress Avenue, Stephen F. Austin Building, 9<sup>th</sup> Floor, Austin, Texas 78701, Tel 512-475-1641, website [www.agr.state.tx.us/license/organic.htm](http://www.agr.state.tx.us/license/organic.htm)

**Description:** The TDA has been accredited by USDA as an ISO Guide 65 certifying body. This accreditation allows for certification only of organic production and covers producers,

processors, distributors and retailers. The Department has not pursued the application of this accreditation to other agricultural product categories but may consider doing so in the future. The initial need that was identified was for the organic sector, thus this became the priority. The Department offers two types of certification under this program. One, a Transitional-Organic Certification Pending certification and, secondly, a Certified Organically Produced certification. The first is used for production on land that the Department has classified as in-transition to organic certification. The second is used only for food or fiber produced on land that the Department has certified under the guidelines of the program. Two logos have been developed to clearly delineate between these two designations.

### **USDA/AMS, Beef: Made in the U.S.A. Program**

Contact Information: Mark Bradley, Quality Manager, Meat Grading & Certification Branch, 1400 Independence Avenue, Washington, DC 20250-0248, Tel 202-720-1124, website [www.ams.usda.gov/lsg/mgc/miusa.htm](http://www.ams.usda.gov/lsg/mgc/miusa.htm)

Description: To qualify for the Beef: Made in the U.S.A. program, beef products must originate from cattle which were born, raised, fed, slaughtered, and processed without leaving the US. or its territories. Beef producers and processors who want to make source verification marketing claims under the program must develop a written system which permanently identifies animals at farm or ranch of birth; establishes a documentation trail to ensure traceability to farm or ranch of birth; is self-monitored through an internal auditing system; and ensures all persons with responsibilities relating to the program know and follow program requirements. Program guidelines will be available in the near future.

### **USDA/AMS, Non-Hormone Treated Cattle (NHTC) Program**

Contact Information: Mark Bradley, Quality Manager, Meat Grading & Certification Branch, 1400 Independence Avenue, Washington, DC 20250-0248, Tel 202-720-1124, website [www.ams.usda.gov/lsg/mgc/nhtc.htm](http://www.ams.usda.gov/lsg/mgc/nhtc.htm)

Description: All farms, ranches, feedlots, packers, and processors who raise or process beef destined for shipment to the European Union (EU) as non-hormone treated cattle must be audited, approved and listed on the USDA website in order to be eligible for export certification from the Food Safety and Inspection Service (FSIS). The Meat Grading & Certification Branch has been designated by FSIS as the competent authority for providing the certification. The NHTC Program Guide 1 – General Requirements for Live Animal Production can also be found at the website. Contact information for approved farms, ranches, and feedlots can be found at [www.ams.usda.gov/lsg/mgc/nhtc.htm](http://www.ams.usda.gov/lsg/mgc/nhtc.htm). Various organizations have been accredited under ISO Guide 65 to provide this certification (e.g., QAI).

### **USDA/AMS, Pork for the European Union (PFEU) Program**

Contact Information: Mark Bradley, Quality Manager, Meat Grading & Certification Branch, 1400 Independence Avenue, Washington, DC 20250-0248, Tel 202-720-1124, website [www.ams.usda.gov/lsg/mgc/audit.htm](http://www.ams.usda.gov/lsg/mgc/audit.htm)

Description: The PFEU Program is a voluntary, user-fee service, available to pork producers, which is designed to provide independent verification that hogs destined for slaughter and the shipment to European Union (EU) countries have not been fed ractopamine hydrochloride, a beta agonist banned in the EU. Pork products produced by suppliers approved under the PFEU Program are eligible for certification by the Food Safety and Inspection Service for export to the EU. Policies, procedures, and requirements can be found at the website.

### **USDA/AMS, Quality Systems Certification Program (QSCP)**

Contact Information: Mark Bradley, Same as above.

Description: This USDA program is used to verify certain aspects of production through certification. QSCP can be requested either by a firm or by an industry organization. The private group identifies the specific aspects of the production process that they wish the USDA to verify. The USDA/AMS utilizes the ISO-9001 checklist to audit the firm's procedures and usually returns every six months. A user fee is charged for this service. The USDA/AMS prefers not to certify food safety pre se, but rather to certify those aspects of the production process that increases the value of the product. The process is initiated by a producer completing an Application for Service form and faxing it to the above-mentioned USDA office. The form is available on-line. Facilitating exports is an important motivation for the program.

### **USDA/AMS, Qualified Through Verification (QTV)**

Contact Information: Processed Products Branch, Fruit & Vegetable Programs, AMS, USDA, P.O. Box 96456, STOP 0247, South Building, Washington, DC 20090-6456, Tel 202-720-4693, Fax 202-690-1527, website

Description: USDA's Qualified Through Verification (QTV) program is a voluntary, user-fee, audit-based inspection service for producers of minimally processed fruits and vegetables. The program is designed to verify the effectiveness of a firm's food safety system. It is not a regulatory program. A firm applies hazard analysis critical control point (HACCP) principles to identify hazards in their food manufacturing processes and takes steps to reduce or eliminate these risks. Under QTV, AMS reviews and assesses a firm's documented HACCP-based food safety QTV plan. If the plan meets QTV requirements, AMS conducts an on-site audit to determine implementation effectiveness. When a firm has established a documented and verified food safety history, AMS audits become less frequent. Firms meeting QTV program requirements may use the USDA QTV shield on packaging for products covered by the program. The milestones that will lead a company toward compliance include: HACCP training, successful completion of an AMS plant survey for Good Manufacturing Practices, a comprehensive hazard analysis, AMS review of company plan and prerequisite programs, validation audit, contract agreement with AMS, systems audits for verification by AMS, and a microbiological testing program.

### **USDA/National Pork Producers Council/ and Allied Pork Industries, Trichinae Herd Certification Program**

Contact Information: Dave Pyburn, D.V.M., National Pork Producers Council, Pork Quality Assurance, P. O. Box 10383, Des Moines, Iowa 50309, email [pork@nppc.org](mailto:pork@nppc.org), website [www.nppc.org](http://www.nppc.org); website [www.aphis.usda.gov/vs/trichinae](http://www.aphis.usda.gov/vs/trichinae)

Description: A pilot certification program was initially conducted in three states including Minnesota, Iowa, and South Dakota to evaluate a process verification system for production of trichinae-free pork. An on-farm audit consisting of 55 questions was developed for use in determining the presence of risk factors. The audit was administered by trained USDA-accredited veterinarians on 198 production sites. About 221,000 carcasses were tested over 6 months and none were found to be trichinella-positive. An improved audit was then developed for use in large-scale chain pilots. It is anticipated that this will lead up to a voluntary certification program in the U.S. by the end of 2001. The current pilot involves a packing plant in Minnesota and Iowa and pigs produced in Iowa, Minnesota, South Dakota, and Nebraska. On-farm audits began in the fall of 2000. These large-scale pilots will test the entire proposed system for the certification of trichinae-safe farms. The proposed certification process includes the following elements: an accredited veterinarian working with producers to help ensure that risks are minimized; periodic audits to evaluate and document production practices; statistical samples tested at slaughter on a regular basis; and USDA veterinarians conducting spot audits of certified locations. The lack of national testing or on-farm programs to address trichinae may be an impediment to the U.S. pork industry reaching its full potential internationally. Eventually States or regions could be certified trichinae-free, which would enhance pork's market image and improve export potential. Such regional certification is now recognized in international trade following the 1994 GATT agreement, and there are similar programs underway in other pork-exporting nations. USDA divisions involved include Agricultural Research Service, Animal and Plant Health Inspection Service, and the Food Safety and Inspection Service.

### **Washington State Department of Agriculture (WSDA), ISO Guide 65 Certification**

Contact Information: Miles McEvoy, Program Manager – Organic Food Program, P.O. Box 42560, Olympia, WA 98504, email [organic@agr.wa.gov](mailto:organic@agr.wa.gov) website [www.wa.gov/agr/fsah/organic/ofp.htm](http://www.wa.gov/agr/fsah/organic/ofp.htm)

Description: The WSDA has been accredited by USDA as an ISO Guide 65 certifying body. This accreditation allows for certification only of organic production and covers producers, processors, and handlers. WSDA developed a manual in compliance with ISO Guide 65 and submitted it to USDA. WSDA may consider expanding the accreditation in order to enable other agricultural products to be included in the future. The Manual, application, reference material, record keeping forms, etc. are available on-line at the above website and a copy of the certificate issued by WSDA can be found in the Appendices J.



Table 1  
**Certification Matrix:  
Certification Standards & Certification Organizations**

| Certification Standard Used | Organization Providing Certification  |   |   |  |                                   |
|-----------------------------|---|---|---|--|-----------------------------------|
|                             | Producer  | Industry or Industry Approved Org   | Government or Government Approved Org   | ISO 65 Accredited Organization   | Customer or Customer Approved Org |
| <b>Producer</b>             |   |   | <i>*MDA</i> (MNCEP)<br>[MNCEP]  |  |                                   |
| <b>Industry</b>             | <i>*Producer</i> (Calif Cattlemen Assoc)<br>[CCA]<br><i>*Producer</i> (N. Am Bison Coop)<br>[Producer/Packer] | <i>*NPPC</i> (PQAIII)<br>[Producer]<br><i>*Calif Certified Organic Farmers</i><br>(CCOF/IFOAM)<br>[Producer, Etc] |   |  |                                   |
| <b>Government</b>           | <i>*Originator</i> (JAS Non-GMO)<br>[Farmer, Elve, Etc.]  |   | <i>*QAI</i> (JAS)<br>[Producer]<br><i>*Georgia Dept Ag</i><br>(Vidalia Onions)<br>[Producer]<br><i>*USDA</i> (USDA/EU)<br>[NABC]<br><i>*Wash State Dept Ag</i> (WSDAOF)<br>[BioVam] | <i>*QAI</i> (USDA Nonhormone)<br>[Producer]<br><i>*Calif Certified Organic Farmers</i><br>(NOP)<br>[Producer Etc.]<br><i>*Texas Dept Ag</i><br>(NOP Etc)<br>[Producer Etc] |                                   |
| <b>ISO</b>                  |   |   |   | <i>*United Registrar of Systems UK</i><br>(9002) [Colusa Elevator]   |                                   |
| <b>Customer</b>             |   |   |   |  |                                   |

\*Organization providing certification. ( ) Standard used. [ ] Producer being certified.

## **2. Customer Views On Certification Brief**

## 2. Customer Views of Certification Brief

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The purpose of this brief is to examine how potential customers view the need for certification of products and processes.

This information will assist the Minnesota Department of Agriculture (MDA) to:

Further define MDA's own third-party certification program;

Guide Minnesota producers in their efforts be better prepared to meet current and future customer needs and requirements; and

Work with MDA's constituents to develop strategies that will position them to more fully participate in the growing market for value-enhanced agricultural products.


Consumer demand for specific product attributes and reliable product quality and safety is growing. This trend, together with increased public regulation or legal liability for food processors and retailers, creates derived demand for quality assurance in farm production. At the same time, expanded international trade in processed-food products brings a need for quality assurance that can be widely recognized. More and more, consumers are pushing for farm-to-table production systems involving certified production protocols with trace-back capabilities.

The examples below are intended to provide some insights into current and future trends related to countries/regions and specific end users.

### **Bush Brothers & Company**

✓Contact Information: Lynn Murray, Manager of Bean Procurement, Knoxville, Tennessee, Tel 865-450-4135, Fax 865-450-4189

Comments: There would be some value in a third-party certification in regard to pesticide application. It is important for Bush Brothers to know what pesticides have or have not been applied. This is particularly true for states such as Minnesota and North Dakota. Dry edible beans grown in Canada may contain a pesticide that has not been approved for use in the U.S. It is quite possible that co-mingling could occur with bordering states in the U.S. Additional assurance that this pesticide has not been used would provide "peace of mind" and possibly prevent recalls and other marketing-related problems. Brand protection is of the utmost importance to companies such as Bush. Bush Brothers does not purchase their raw material directly from producers. They contract with elevators or cleaning facilities who, in turn, contract with and manage the producers. Bush Brothers does not have the capability to clean and store beans. There is some question as to whether there would be some premium price associated with the certification. In general, it was felt that such a certification might differentiate a producer group and give that group some advantage over non-certified production. However, this advantage would be lost if other states or groups

 provided a similar certification. To ensure that the certification is meaningful to the end user, the standards should be narrowly defined. Apparently the Michigan Bean Shippers Association lost credibility with a certification program when the inspection and certification standards became so broad that end users no longer felt their needs were being met.

### **Canada**

Contact Information: George C. Myles, Senior Agricultural Specialist, USDA Foreign Agricultural Service, Ottawa, Canada

Comments: A state-sponsored certification program that certifies to the customer's standards might have application for certain specialty agricultural products. However, a state-of-origin certification program would have little appeal for mainstream high-value, consumer oriented products and bulk and intermediate agricultural commodities since Canadian importers tend not to discriminate as to state of origin when sourcing U.S. agricultural products. With this comment in mind, it should be noted that certifying to customer's specifications is common among certain Canadian export industries (e.g., Canadian pork to Asia). For the Canadian market, there will most likely be a growing trend toward an increase in custom packing or private labeling in the U.S. for store brands and no-name brands but these are generally distinguishable as business arrangements based on customer specifications rather than third party certification. If third-party certifications related to food safety, environmental responsibility, and animal well being become prominent in the U.S., the Canadian supermarket and grocery industry would probably move in the same direction.

### **Daiei, Japan**

Comments: Since 1972, Daiei has been the largest retailer in Japan. However, it appears that earlier this year 7-Eleven took over that lead position. About 5 years ago, Daiei negotiated with Excel and the Kansas State Department of Agriculture for a certification and promotion program focused on beef. It was required that the product be certified that it was Kansas beef from farm through processing. It appears that a self-certification from Excel met the traceability/verification requirement. However, Daiei did look to the State Department of Agriculture to provide information used to develop awareness of the State's reputation for beef production. The goal was to create product preference based on geographic location, to add value by providing relevant information related to the beef industry in Kansas, and to give assurance to end customers regarding food safety. This is a growing trend for this importer as well as other major retailers in Japan.

### **Belgium**

Contact Information: Yvan Polet, Agricultural Specialist, Office of Agricultural Affairs, U.S. Embassy, Brussels, Tel 322-508-2437, Fax 322-508-2148, email [polety@fas.usda.gov](mailto:polety@fas.usda.gov)

Comments: In Belgium, there is a great deal of product certification in the food sector, particularly for private labels developed by retailers. There are also regional quality certifications for products such as vegetables. Government supported quality labels and certifications are primarily used for meat products and organic foods. There is also a GMO-related labeling requirement for all foods containing oilseed products (e.g., sauces, cookies,

pizzas, ready-to-serve food). Traceability throughout the supply chain is an important concept and much work has been done to improve these processes. Consumer trust levels vary depending on what organization is providing the certification. There tends to be a higher degree of trust in those certifications provided by large retailers versus government certifications. This is due to the fact that retailers have a reputation for enforcing strict standards and requirements for food products bearing their store label. It was felt that a program such as Minnesota Certified would be well received by importers, food processors and ultimate consumers; however, not from the point of getting a better price. Instead, this certification would likely make market entry and market access easier and quicker.

## **France**

Contact: Susan Reid, Agriculture Attaché, USDA Foreign Agricultural Service, Paris, France, email [reids@fas.usda.gov](mailto:reids@fas.usda.gov)

Comments: There is currently much debate in France regarding third-party certification for agricultural products. Consumers place a relatively high value on food products that have been certified by a known entity. They feel that the product is safer and more wholesome and are willing to pay a higher price for these assurances. Traceability is an important factor. Biotech-containing foods will soon need to be labeled to enter the EU/France market. At this time, it is unclear what type of third-party certifications will be required or honored. Food safety issues are becoming of much greater concern and, therefore, certification requirements and enforcement are becoming stricter in France. Currently, organic products are the only category to have 100% requirement for third-party certification. When the new EU labeling regulations go into effect, it is possible that state government certification may be one of the ways the EU allows the products to enter. They are aware that Japan accepts state-sponsored third-party certification for some agricultural products. It was recommended that MDA monitor third-party certification issues related to the EU by continuing communication with [AgUSEUBrussels@fas.usda.gov](mailto:AgUSEUBrussels@fas.usda.gov), especially for any biotech agricultural products. In addition, William Vidal, head of the largest EU organics certifying agency (private) will be traveling to the U.S. this summer. If the MDA is interested in meeting with him, Ms. Reid may be able to include Minnesota on his schedule. The request can be made to her at the email address above.

## **General Mills**

Contact Information: Colleen Soukup, Director of Ingredient Procurement, Number One General Mills Boulevard, Golden Valley, Minnesota, Tel 763-764-7600, website [www.generalmills.com](http://www.generalmills.com)

Comments: In most cases, General Mills (GM) does not procure grains from the producer but from a mill or other processors. GM produces all of their own specifications, develops potential supplier lists, approves suppliers, and monitors the quality processes of all suppliers. New suppliers are required to go through an intensive testing and technical evaluation. Third-party certifications such as Minnesota Certified would not be directly useful to GM. However, it might make the potential supplier more viable in that they may have better processes and procedures in place as part of the requirement to become certified for other end users. GM's future requirements for suppliers are expected to be equal to or greater in intensity when compared with current requirements. Retailer / end customer requirements are becoming increasingly more rigorous and current and future

suppliers need continuous improvement programs in their own processes and procedures in order to stay viable as suppliers to GM and other food processors.

## **Japan**

Contact Information: N. Haruta, USDA Foreign Agricultural Service, Tokyo, Japan, email [harutan@fas.usda.gov](mailto:harutan@fas.usda.gov)

Comments: Some major supermarkets in Japan have been using names of producing states on their labels (e.g., Kansas, Iowa, and Nebraska) when they sell meat products from the U.S. This practice has been most common with pork and beef products. The presence of production areas and even farmers' names on the labels can frequently be seen in the market for products such as fresh produce and livestock products, but not much in grocery products. Many of these state-focused promotions include some special certification over and above USDA and those certifications required by the Japanese government. More and more major retailers and supermarket chains are looking for ways to gain consumer confidence in the quality of food products by arranging for special certifications and increasing the point-of-purchase information that is available to the customer. Mr. Haruta suggested making contact with Takemichi Yamashoji, Senior Marketing Director, U.S. Meat Export Federation in Tokyo to gain more insights into the various retailer/processor/state programs. However, at this time, Mr. Takemichi has not responded to any communications.

## **Mid-America International Agri-Trade Council (MIATCO)**

Contact Information: Tim Hamilton, Executive Director, 400 West Erie Street, Suite 100, Chicago, Illinois 60610, Tel 312-944-7777, Fax 312-944-1144, email [thamilton@miatco.org](mailto:thamilton@miatco.org)

Comments: Most member states are struggling with the issue of certification since it is becoming either a market requirement or at least something of a market advantage. However, from an end customer perspective, state-sponsored certified programs and state-sponsored promotion programs (e.g., Minnesota Grown, Land of Kansas, Ohio Proud) are becoming somewhat intertwined. It can become difficult to distinguish between the two and there could be some implication that a promotional logo implies some type of certification. Also, there is the continuing question regarding a consumer's willingness to pay some premium price for a certified product. Many in the industry feel that perhaps the certified product generates additional market demand but may not generate a premium price. There is strong evidence that the processed food industry might be moving more along the lines of other manufactured products. Companies in the technology industry (e.g., United Technologies, Lucent) have recently begun to assess, by means of a roadmapping technique, where the food processing industry is going and how technology providers can develop this industry as they have done in other industry sectors. There is a significant challenge due to the fact that the food processing/agri-products industry consists of a highly decentralized supply chain – 11/2 million producers. Perhaps the question this group needs to ask is how can technology be used to identify and maintain identity through the supply chain. This would be consistent with the industry's direction in relation to certification and the concept of "farm to fork", "dirt to dinner", etc. MIATCO has offered to work with the Minnesota Department of Agriculture to survey other member states regarding certification issues.

### **Swift & Company**

Contact Information: David Logan, Global Ventures, 115 Second Street NE, Suite 110, Pipestone, Minnesota 56164, Tel 507-825-5462, Fax 507-825-5877, email [global@connect.com](mailto:global@connect.com)

Comments: One of the suppliers to Swift & Company (Swift) is Global Ventures (GV). This company was certified by USDA under the Pork for the European Union Program, which was required of them by Swift. The standards that GV had to meet were developed jointly by the National Pork Producers Council, the USDA, and Swift. Manuals were reviewed by GV, changes were suggested, and final procedures were adopted. To a great extent, GV self-certified that the prescribed standards were being met. They also submitted the necessary self-certifications on behalf of their partner producers, which included about 12 producers from their overall group of 80. USDA did infrequent on-site audits. GV agreed voluntarily to comply with the required standards. There was no immediate financial return for this participation; however, they hoped that eventually the added return or premium would be available from Swift. This did not materialize so they made a decision to drop out of the program. One aspect of the program alone, the requirement that Paylene not be fed to the animals, was determined to cost GV approximately \$1.25 per pig. Additionally, there was the cost of training the personnel, additional record keeping, and the risk of error. The greatest benefit to GV has been in preparing the organization to meet additional customer demands. They now have confidence that they could pursue other opportunities that might be based on unique customer requirements and put the systems in place to ensure environmentally friendly facilities, bio-secure or other customer driven requirements. In some cases, the need for certification might be a requirement and in other cases, it might be voluntarily sought in order to differentiate the product from that of competitors. In the case of MDA/Minnesota Certified, the value of the certification will be dependent upon how successful the Department is in promoting it, creating awareness, and stimulating demand or preference for those products marketed as Minnesota Certified products. In the future, some producer organizations will be in a position to sell more directly to the wholesale/retail/end customer chain. They will probably become more integrated on a relationship basis rather than on an ownership basis. However, they will still be in a better position to assess the market opportunity, determine the value, and share in that added value as a result of their increased participation in the marketing function.

# **3. Guidelines for a Certification Program Brief**



### 3. Guidelines for a Certification Program Brief

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The purpose of this brief is to define an approach that might be used by the Minnesota Department of Agriculture (MDA) to develop initial guidelines for the Minnesota Certified program.

It is clear that there is a rapidly growing demand for customer-focused certification. These programs must meet the needs and requirements of the customer as defined by their level of satisfaction with the product. They must also include continuous improvement in all aspects of the production process – from beginning to end. A program to enhance quality should not only increase customer satisfaction but it should also reduce costs by eliminating waste and, over the long run, increase profitability for the producer.

In order to for the Minnesota Department of Agriculture to be proactive in relation to this dynamic trend in the marketplace, and to help enable Minnesota producers of a wide range of agricultural products to capitalize on the market opportunities potentially available to certified products, the MDA has made a strategic decision to develop and provide a state-sponsored, third-party certification based on customer and/or producer requirements. The purpose of such a program would be to work in sync with customers or producers who might be developing and/or implementing a set of standards. For example, the MDA has launched a pilot project whereby the Minnesota Certified certification has been applied to a MNCEP/Swift & Co/ Kowalski's marketing program.

#### **Minnesota Certified Organization Chart and Process Flow**

Based on the findings of Brief #1 and Brief #2 along with a series of discussions with MDA, the initial guidelines for a certification program might be as follows:

Certification Program: Organization Chart (Figure 1). The chart depicts parties involved in the Minnesota Certified program as well as the relationship among the parties. Under this scenario, MDA would have direct control over the certification program and the program would be part of the MDA organization. This chart presents Minnesota Certified as an MDA program, but it could also be organized as a Board that would be under the control of MDA. The standards advisors may have either an advisory or contractual relationship with MDA. They could be organized as a single advisory committee or industry-specific advisory panels could be formed. This would enable the Department to tap into resources for each facet of agriculture that might wish to become certified (e.g., pork advisory panel, buckwheat advisory panel, processed foods advisory panel). The auditors would have a contractual relationship with MDA. Auditors cannot contract directly with the party requesting certification if procedures consistent with ISO 65 are implemented.

Certification Program: Process Flow (Figure 2). The process flow chart depicts the general process from the time the client submits a request for certification under Minnesota Certified through that point in time when MDA grants the certification.

Certification Program: Element Options (Figure 3). This chart provides a summary of the suggested options to be pursued by the Department. It is suggested that the certification standards be developed by the producer or customer; that MDA be the certifying organization; that MDA's program procedure guidelines be developed based on ISO Guide 65; that during the initial program development MDA not seek accreditation by an ISO accrediting body; and that auditors under contract with MDA be ISO accredited.

The rationale for suggesting that the program procedures be based on the procedures covered by both ISO Guide 65 include the following. The ISO 65 procedures would help to ensure the most complete system for meeting current and future customer-focused standards and requirements and would put MDA on a path to potentially seeking accreditation as a certifying organization at some point in the future if the need should arise.

It is also suggested that ISO 9001:2000 be used as a guide for the Department when reviewing and accepting the certification standards submitted by customers or producers. To the extent that the Department might recommend revisions in the certification standards to a customer or producer, the 9001 standard would help to lead Minnesota producers of agricultural products on a path to developing a quality management program consistent with international certification standards. This approach would make it easier for producers to clearly articulate to auditors, customers and other relevant parties the certification standards for which the Minnesota Certified certification would be granted.

### **ISO/IEC Guide 65:1996**

ISO Guide 65 presents the general requirements for bodies operating product certification systems. The purpose is to ensure that certification bodies operate third-party certification systems in a consistent and reliable manner in order to facilitate their acceptance on a national and international basis. It has been demonstrated that confidence generated through such a program has the potential of increasing international trade due to the fact that the customer, no matter where he might be, has some basis for evaluating the likelihood that a quality product has been produced.

The following reference materials are included in Appendices A through D:

General Requirements For Bodies Operating Product Certification Systems

ISO/IEC Guide 65 Compliance Audit Checklist / Working Document

IAF Guidance on the Application of ISO/IEC Guide 65:1996

ISO Guide 65 Accreditation for Organic Certification Bodies

### **ISO 9001:2000**

The key standards within the ISO 9000 family of standards have been merged into a single ISO standard, ISO 9001:2000. The main difference is that the 1994 standard was based on

a life-cycle model and the 9001:2000 standard is based on a process model. The process model emphasizes managing key processes to continually improve them. It is based on the idea that an organization is a system of interlinked processes. The new standard is designed to manage and improve those processes through a 5-step process as follows:

- Identify the key processes.
- Define quality standards for those processes.
- Decide how process quality will be measured.
- Document your approach to achieving the desired quality, as determined by measurements.
- Evaluate quality and continuously improve it.

Now that the ISO 9001:2000 standard has been issued, all registered/certified organizations will have 3 years to comply with the new standard.

Some of the format changes from the 1994 standard are as follows:

- The text has been reworded for easier adaptation to a wider range of organizations.
- The standard has a new process-oriented structure.
- Documentation requirements are less prescriptive, and allow greater flexibility.

Some of the new requirements include:

There is a much greater focus on the customer. Organizations must determine customer needs and expectations and monitor customer satisfaction and/or dissatisfaction.

Measurable objectives must be established. Increased emphasis is placed on the role of top management to develop and improve the system, integrate legal and regulatory requirements, and establish measurable objectives at appropriate levels of the organization.

Measurement and continual improvement are required. Organizations must determine needs and uses of applicable methodologies, including statistical techniques. Also, data must be used to determine the performance of the quality system and to identify improvements. Results of data analysis and improvement must be part of management review.

Training effectiveness must be evaluated. Evidence that training has been provided will not be enough. An evaluation of the effectiveness of training will now be required.

The ISO 9001:2000 is promoted as being much more amenable to smaller firms and some estimates are about \$5000 for a producer to put the program in place. It is much more focused on self-certification rather than the cumbersome requirement of the 1994 version.

It is felt by some at USDA that the current Administration in Washington is more supportive of programs such as self-inspection if reliable processes can be put in place. USDA would move toward more oversight in order to ensure that product integrity was retained. Any system of oversight might be to perhaps seek less Federal involvement but have the same level of confidence in the product.

Based on a review of the literature, it has been the position in the international marketplace that American food companies have tended to ignore international quality certifications. In the past, most U.S. food firms created quality management programs that conformed to North American market demands rather than ISO standards. For example, leading companies such as General Mills, Pillsbury, Cargill, and Land O'Lakes previously put in place the Hazard Analysis and Critical Control Point (HACCP) program which was more widely accepted in the U.S. than were the ISO standards. In some cases, large companies such as these have been able to delay obtaining ISO certification by tapping into foreign market opportunities through joint venture partners rather than exporting from the U.S. However, many of these firms believe ISO certification may, at some point, become a requirement in the food industry as well as other agricultural products. It is felt that ISO may even require food firms to have an HACCP program as part of the certification requirement since HACCP is in no way contradictory to the ISO standards.

However, many individuals throughout the industry feel that agricultural production and the food industry are moving in the same direction that manufacturing did several years ago. The food processing industry was compared to the automotive industry. For example, if you want to sell component parts to Ford, your processes must be in compliance with QS 9000. On the one hand, a premium is not paid to those producers in compliance; but on the other hand, they have a customer for their product. This, along with pressures to reduce costs, is seen throughout the vertical chain in the automotive and other industries.

### **Recommended Reference Materials**

The following standards and reference materials might be useful as the MDA begins to formalize the Minnesota Certified program:

ISO/IEC Guide 65:1996 (see Appendices A – D).

ISO 9000:2000 – This standard explains the fundamental quality concepts and the vocabulary used in the ISO 9001:2000 and ISO 9004:2000 quality standards.

ISO 9001:1994 – provides specific program requirements (see Appendices G)  
ISO 9001:2000 – the updated, customer-focused program requirements

ISO 9004: 2000 – This standard describes the basic set of elements by which a quality management system can be developed and implemented internally.

Note: ISO 9000 and ISO 9004 provide guidelines for establishing a customer-focused certification program whereas ISO 9001 lays out the requirements. Therefore, it is recommended that both the 1994 and 2000 versions of ISO 9001 be used as reference to ensure complete information.

The above reference materials can be purchased through [www.asq.org](http://www.asq.org). They can be ordered in hard copy or can be purchased on line and downloaded. They are also available through other organizations.

### **Minnesota Certified: A Fee Based Program**

Most of the certification programs identified the brief #1 are either structured on a cost recovery or for-profit basis. Since it is currently the goal of MDA to encourage producer

participation in the program, the desire is to minimize costs for the producers. Perhaps the best model to review in relation to costs is the National Organic Program (NOP). This cost-recovery based program has established the following fee schedule:

**Fees Charged By AMS:** Fees and other charges are assessed and collected from applicants for initial accreditation and accredited certifying agents submitting annual reports or seeking renewal of accreditation. Fees are roughly equal to the cost of the services and are based on the time required to render the service. Also included in fees are costs such as benefits, clerical help, supplies, etc. The hourly service charges are waived during the first 18 months of implementation of the NOP. A \$500 fee is paid at the time of application and is applied to the applicant's fees-for-service account. Travel expenses and per diem's are billable.

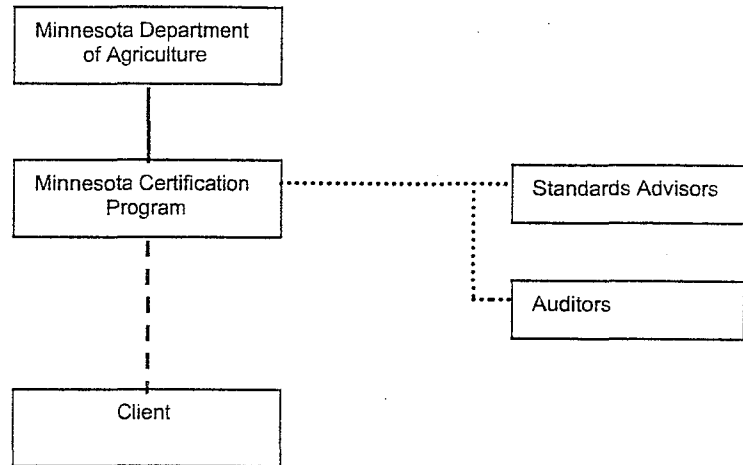
**Other Costs:** This might include equipment rental, photocopying, delivery facsimile, telephone, or translation charges incurred in association with accreditation services.

**Activities Billed On a Time Basis:** Review of applications and accompanying documents and information, evaluator travel, on-site evaluations, review of annual reports and updated documents and information, and the preparation of reports and any other documents in connection with the performance of service.

**Payment of Fees and Other Charges:** the non-refundable \$500 fee remitted along with the application serves as an initial draw-down fund. All other payments for fees and other charges are paid based on established due dates. Interest, penalties, and administrative costs are assessed for debts not paid by the due date. Unpaid debts are referred to the Department of Justice for litigation.

**Fees Charged By Certifying Agents:** The fees must be "reasonable" and can only include those fees and charges that the certifying agent has filed with and has had approved by the AMS Administrator. The agent must provide each applicant with an estimate of the total cost of certification and an estimate of annual cost of updating the certification. A fee schedule must be provided to the applicant which explains any nonrefundable fees and at what point in the process the fee becomes non-refundable. The certifying agent can set the non-refundable portion of the certification fee. The agent must provide all persons inquiring about the application process with a copy of its fee schedule.

Figure 1  
**Certification Program:  
Organization Chart**



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Line of Authority —————  
Line of Advisory or Contracting .....  
Line - - - - -

Figure 2  
**Certification Program:  
Process Flow**

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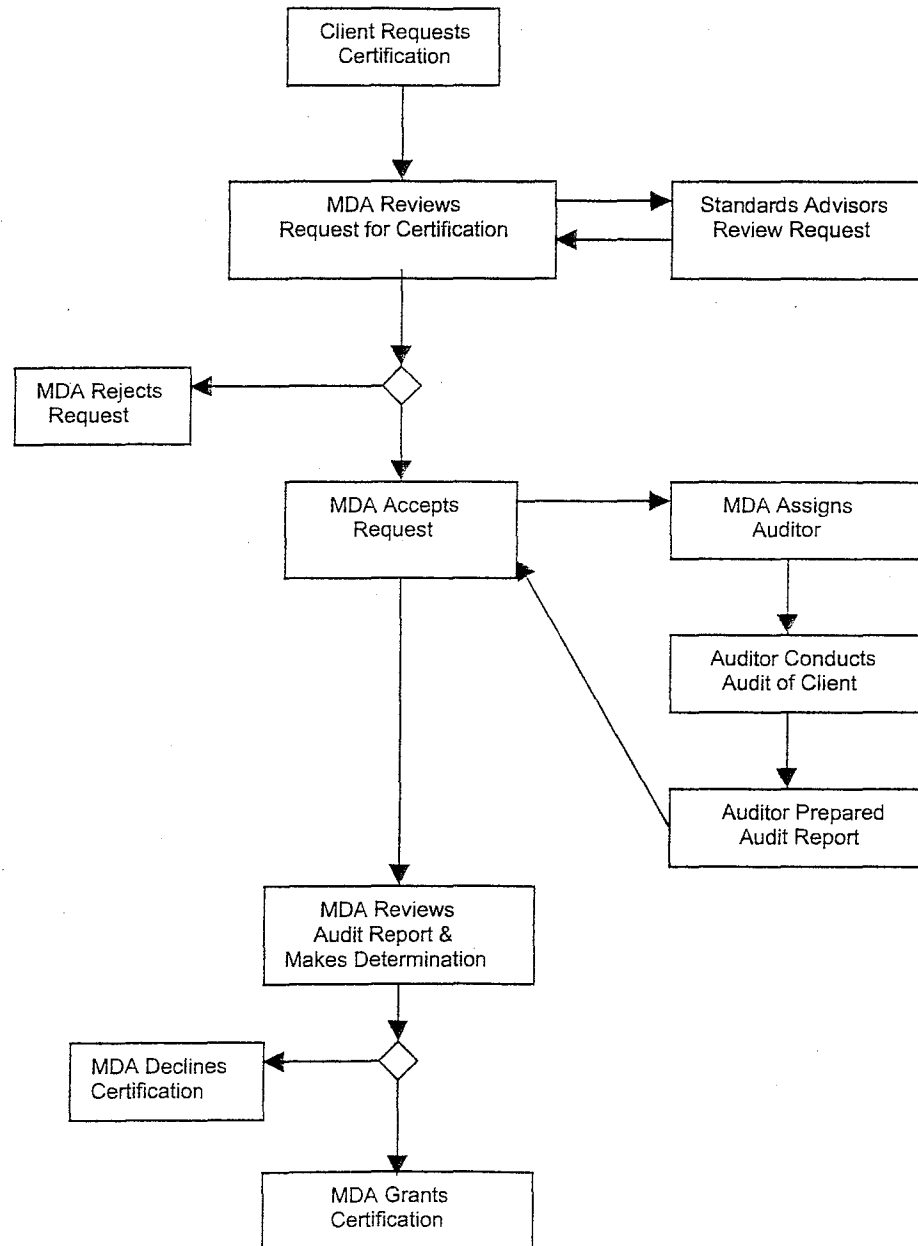


Figure 3  
**Certification Program:  
Element Options**

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| Element                                  | Suggested Option  | Other Options                                |
|--|-------------------|--|
| Certification Standards                  | Producer/Customer | Industry, Government, ISO (9001:2000)        |
| Certification Organization               | Government (MDA)  | Provider, Industry, ISO Accredited, Customer |
| Procedures                               | ISO (65)          | Self-developed                               |
| Accreditation of Certifying Organization | None              | ISO (65)                                     |
| Accreditation of Auditors                | ISO               | None   |

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## **4. Other Information**

**A. ISO/IEC Guide 65**

**B. ISO/IEC Guide 65 Compliance Audit Checklist**

**C. Guide on the Application of ISO/IEC Guide 65**

**D. ISO Guide 65 Accreditation for Organic Certification Bodies**

**E. California Certified Organic Farmers**

**F. Guidelines for IP Handling of Non-GMO Crops for Japan**

**G. ISO 9001:1994**

**H. Alliances & Vertical Coordination Programs: Beef**

**I. Vidalia Label**

**J. Washington State Organic Certification Program**



October 24, 2001

ATTACHMENT B

Mr. Jim Boerboom  
Assistant Commissioner  
Minnesota Department of Agriculture  
90 West Plato Boulevard  
St. Paul, Minnesota 55107-2094

Jim,

I am requesting from the Minnesota Department of Agriculture the final payment of \$8,000. These funds are payable to the Minnesota cooperative, Minnesota Certified Pork, upon the receipt and approval of written report summarizing the promotional efforts in the US.

The following is the final report summarizing these promotional efforts.

On May 23 of this year, Minnesota Certified Pork ( MNCEP) held a media event at the Woodbury Kowalski store to launch the start of the selling of pork products from the cooperative into the four Kowalski grocery stores. This event was the culmination of several months' work by the cooperative. This work included: the cooperative's members instituting the quality standards on their farms; the development and implementation of monthly audits by Julie Grass, MNCEP auditor; the development and implementation of a state certification program for use by the cooperative; and the creation of a partnership between Kowalski , Super Valu , Swift & Co., and MNCEP.

The cooperative's promotional materials used in the Kowalski stores were developed by the Trade Marketing Group, Chicago, Ill. These materials included brochures, case signs, rail strips, large case dividers, small case dividers, drop-in cards, acrylic brochure holders, display banners, and MinnCERT product stickers. These materials went through several revisions. The original MinnCERT and MNCEP logos were taken and developed into professional grade quality . The total cost of these materials was \$57,225.54, which was divided equally between MNCEP and Swift . Recently Swift authorized the expenditure of an additional \$25,000 for the development of another 30 promotional kits for use in new stores in the future.

Throughout the summer the cooperative members, with the assistance of four graduate students from University of Minnesota, promoted MNCEP pork products at the Kowalski stores. These promotions occurred over the course of eight weekends (June through October) in all four Kowalski stores. The total hours invested by the producers and students in doing these promotions was 314 hours, and the mileage traveled to these stores from their farms was 6147 miles. Over 100 pounds of boneless center cut pork

chops were served to consumers from 10 a.m. to 5 p.m. each day of the promotions. While the producers were serving these pork products, they explained to the consumers the concept behind the cooperative, talked about their own home operations, and handed out MNCEP brochures.

At the Minnesota State Fair in August, both the Minnesota Department of Agriculture and Minnesota Pork Producers Assn. promoted the cooperative's program. Each of these entities had a promotional booth at the Minnesota State Fair from which they handed out MNCEP brochures to fairgoers. The Minnesota Department of Agriculture also had a meat counter display in their booth that held fresh MNCEP pork products with its MinnCERT label. Several thousand fairgoers had the opportunity to view these products.

Since May, the cooperative has added three more producers to its membership. George Lanoue, Clara City; Jim Compart, Nicollet; and STP (Schafer/Thome Pork) Adams, have been certified by the State of Minnesota to sell market hogs through the cooperative into the Twin Cities markets. The cooperative is actively working to enlist several more producers into the cooperative to increase the supply of market hogs in order to meet the anticipated increased demand.

As of September 1, six GJ SuperValu stores in the Twin Cities have added MNCEP pork products to their meat cases. In addition, the four Driskill stores in the western suburbs of Minneapolis are in the process of adding MNCEP pork products to their stores. The six month goal of the cooperative is to increase the number of retail stores selling MNCEP market hogs so that the supply needs for the cooperative reaches over 1000 market hogs per week. The cooperative has had a recent setback with the Kowalski stores, in that they have decided to move into case ready pork products instead of selling fresh cut pork products.

The cooperative has met all of the requirements for the disbursement of the final payment by the Minnesota Department of Agriculture to the cooperative for the promotional program outlined in the grant agreement.

Thank you for your consideration of this matter.

Respectfully,

  
David Starnes

President, Minnesota Certified Pork

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## I. Executive Summary

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### **Background.**

This study implements one aspect of the marketing component of the Minnesota Department of Agriculture's IP Crop Infrastructure Mode and is a complement to the *Minnesota Port Access Study*.

### **Objectives.**

Select Minnesota identity preserved (IP) crops to be promoted. Select primary target country markets for promoting Minnesota IP crops. Identify and profile high-potential customers for Minnesota IP crops in target country markets. Prepare overview of food supply market in target country markets.

### **Minnesota IP Crops.**

Soybeans: clear hilum, high-amino acids, high-isoflavone, high-oil, high-protein, low-linolenic, non-GMO, organic, trait-constant, trait-specific, variety-specific. Corn: blue, food-grade, high-oil, non-GMO, nutritionally dense, organic, trait-specific, waxy. Wheat: hard red spring, dark northern spring, hard red winter, organic, trait-specific, variety-specific, spelt. Other: red potatoes, edible beans, organic edible beans.

### **Target Country Markets.**

China: potential to be significant IP crop market in future. Japan: currently largest IP crop export market. Mexico: agriculture sector developing demand for IP crops. United States: largest market in world for IP crops.

### **Customer Profiles.**

Identified and contacted select list of 1,634 potential customers for Minnesota IP crops in the four target country markets – 742 contacts in China, 230 contacts in Japan, 308 contacts in Mexico, 354 contacts in United States. Completed profiles for 551 high-potential customers. Created target list of 291 Current High-Potential Customers interested in purchasing Minnesota IP crops direct from Minnesota growers and local suppliers – 36 customers in China, 41 customers in Japan, 44 customers in Mexico, 78 customers in the United States. Identified approximately 1,300 Future Potential Customers for follow up at later date. Created unique and dynamic customer profile database for continuous updating and expansion.

### **Overview of Target Country Markets.**

Prepared overviews of food supply market for China, Japan, Mexico, and the United States as the markets relate to Minnesota's commodity and IP soybeans, corn, and wheat. Addressed a wide range of topics based on reviews of available literature from a wide variety of sources and supplementary interviews with persons knowledgeable about the country markets. Topics include: general characteristics of market and culture, crops and how used in the market, sources of crops used in the market, IP crop handling from field/port to end customer, role of importers and distributors, major players in the market, regulations influencing import of IP crops, and market segments for Minnesota IP crops.



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## I. Executive Summary

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### Background

This study was initiated in response to a Minnesota statute directing a study of the need for a commercial shipping port at which agricultural cooperatives or individual farmers would have access to port facilities and to the Minnesota Department (MDA) of Agriculture's growing interest in developing a comprehensive infrastructure for marketing, handling, shipping, and certification of identity preserved (IP) crops.

### Study Focus

The primary focus of the study was to address the question: How can the MDA stimulate the development of an infrastructure that will assist individual farmers, networks of farmers, and small locally owned cooperative, elevators and other firms located in Minnesota to efficiently and cost-effectively handle and ship IP crops grown in Minnesota directly to end buyers in export markets and, secondarily, to end buyers in non-Minnesota domestic markets.

### Findings

*Crop Production Profile.* The crops included were corn, soybeans, wheat, sunflower seeds, dry edible beans, and other smaller crops and totaled 35.7 metric tons (1.4 billion bushels). 64% were non-GMO. 8% were used or marketed as IP crops. An estimated 0.5% IP crops were shipped by individual farmers and small local firms (the focus of this study) to end buyers located outside of the state.

*IP Crop Handling.* There are 7 handling facilities at the Duluth-Superior port of which 5 are potentially available for third-party IP crop put-through services; there is one small site with the potential for development in the port. The river ports have 14 handling facilities of which 9 could/have provided IP crop put-through services. There are 633 country elevators of which only 77 have 50-car plus loading capacity. 9 out of 10 country elevators are disadvantaged, and potentially underutilized, because they lack 50-car or greater rail service, are located within 80 miles of a terminal elevator, or are branch elevators. In order to convert an "underutilized" country elevator into an elevator with IP crop handling capabilities it might cost from \$2 to \$5 million for a Category I elevator and \$600,000 to \$900,000 for a Category II elevator. An elevator that wanted to handle Category III IP crops would probably not require a significant investment in facilities. There are opportunity costs when elevators handle IP crops such as the loss of blending and holding crops for carrying spreads.

*IP Crop Shipping.* Demand for IP crops shipping services is projected to grow at about 4% over the next five years, although there could be a sharp spike in export demand for non-GMO crops in the next couple of years. There are small ships in the range of 8,000 metric tons serving the Duluth-Superior port that would be very appropriate for IP crop bulk shipments. There are no container ships calling on the port and no container loading capacity. Containers-on-barge are a potential alternative to container-on-rail shipments, but there never has been a sustained container-barge service provided on the Midwestern river

system. There are handling facilities interested in loading the barges with containers and interested tow companies, but a consolidation service would be needed. Containers can compete with hopper cars in certain shipping corridors and for certain shipment sizes. A potential new strategy for shippers would be shipping by hopper car to the Pacific Northwest and transferring to containers. A shippers' association is a buying coop that amasses the shipping volume of its members and uses that volume to negotiate for better handling and shipping services. An association could serve as an aggressive advocate for individual farmers and small local firms. It could open up access to handling services at the ports and could consolidate many small shipments into cost-effective full-vessel and full-barge shipments.

### **Strategic Direction**

The MDA should consider the development of a comprehensive IP crop system that creates significant synergies among the marketing, handling, shipping, and customer-focused certification programs supported by the Department.

### **Program Strategies**

The following implementation program strategies were developed for consideration by the MDA as part of a highly synergistic IP crop system for the state.

*Shippers Association.* Support the creation of a formal shippers' association, consistent with Federal law, that serves as an aggressive advocate for individual farmers and small local firms shipping IP crops (and other related products). The shippers association should be directly partnered with MDA supported and other appropriate marketing, handling, and certification programs. The association should provide outreach, education, and technical assistance services; negotiate volume service contracts with river, lake, and ocean terminal port elevators and other services; consolidate shipments for full barge and full vessel loads; pilot a container-on-barge service and a hopper-to-container service; as well as other services.

*Handling Facilities.* Support the development of IP crop handling facilities at country elevators, other local facilities, and river and lake port facilities that serve individual farmers and small local firms.

*Inter-Departmental/Agency Cooperation.* Support and work jointly with the MDOT, MTO, and river and lake port authorities to stimulate the development of IP crop handling and shipping facilities and services as well as education services for small IP crop shippers.

*Legislation.* Seek legislative authority to support a shippers' association; a shippers' association guarantee fund for backing the volume contracts entered into by the association on behalf of small agricultural shippers; a grant and loan program for handling and shipping facilities and services that serve the needs of individual farmers and small local firms.

**Study Methodology.** Extensive literature reviews, over 200 contacts with growers and elevators and other interested parties, utilization of numerous databases, and thorough analysis of the available information and data went into the development of the report's findings and implementation program strategies.

This study was prepared for the Minnesota Department of Agriculture by Global Resource Associates Inc. of St. Paul, Minnesota, USA.