



State of Michigan Licensing & Regulations

Market Manager Certificate Program
February 18, 2015

Webinar Agenda

State of Michigan Licensing & Regulations

Wednesday,
February 18, 2015

- 6:00 – 6:10 Welcome & Overview of Technology
- 6:10 – 7:00 What Market Managers Need to Know about Food Safety
- 7:00 – 7:15 Questions and Answers with the Michigan Department of Agriculture and Rural Development
- 7:15 – 7:30 What Market Managers Need to Know about Other Licensing
- 7:30 – 7:45 Sales Tax Licensing 101
- 7:45 – 8:00 Questions and Answers

Questions to Answer

- What is the market's role in ensuring proper vendor licensing?
- Which vendors need to be licensed?
- What licenses do vendors need?
- How does a vendor obtain the proper license?
 - Food Safety Licensing
 - Commercial Animal Feed License
 - Nursery Dealer and Grower Licenses
 - Sales Tax Licensing

What is the market's role in ensuring proper licensing of vendors?

The market is responsible for ensuring that food and plant items that are sold are from safe sources. This includes:

- **Knowing which vendors need to be licensed**
- **Obtain a copy of the vendors' licenses**
 - Check that the license is valid for your market season
 - Make sure the license belongs to the business selling at your market
 - Ensure a copy of the license is always available during market hours

What Market Managers Need to Know about Food Safety

With information provided by the Michigan Department of Agriculture & Rural Development Food and Dairy Division

Who should be licensed?

Fruit and Vegetable Growers

No license is required to sell fresh, whole, unprocessed fruits and vegetables

Should follow management practices that ensure food safety

Cottage Food Vendors

Not licensed by MDARD or health departments

Must comply with packaging requirements

Processed and Prepared Food Vendors

Vendors that are selling prepared food items must be properly licensed

Vendors that are preparing foods on-site to sell must be properly licensed

Cottage Food: Intent & Implementation



- Allows producers a low-barrier way to test products and business concepts
- Goal: Proven products & business models will progress to licensed businesses
- Cottage Food eligibility is limited to producers with annual gross sales at or below \$20,000
 - Sales cap will increase to \$25,000 on Dec. 31, 2017

Eligible Cottage Foods



Non-potentially hazardous foods

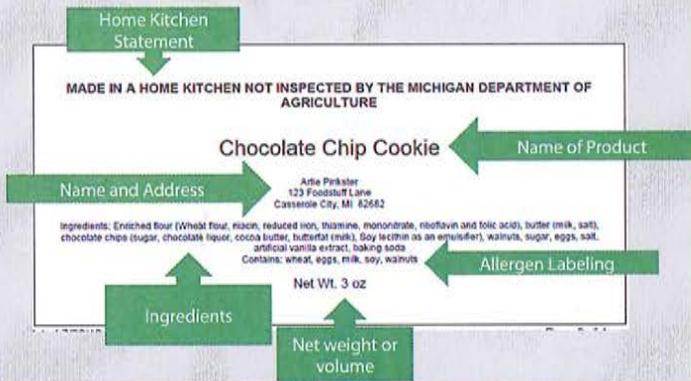
- Do not require temperature control
- Baked goods: cakes, pies, cookies
- Breads
- Jams & jellies
- Dry herbs and herb mixtures

Potentially hazardous foods

- Anything that requires temperature control
- Meat and meat products including fish
- Canned fruits and vegetables including salsa
- Pickled products

Resource Provided: MDA Cottage Food Frequently Asked Questions

Cottage Food Labels



For more information, visit http://www.michigan.gov/mdard/0,4610,7,125-50272_45851240572--00.html#sample-labels

Food Items Licensed at Processing Location

Food Items	Considerations
<ul style="list-style-type: none"> • Apple Cider • Jams & Jellies • Sauces & Salsas • Baked Goods • Eggs (wholesale) • Chickens & Rabbits (raised by seller) 	<ul style="list-style-type: none"> • Licenses come from the MDARD • All products must be properly labeled • Maintain proper temperatures • Seller must be an employee of the licensed business

Proper Labeling for Processed Food Items

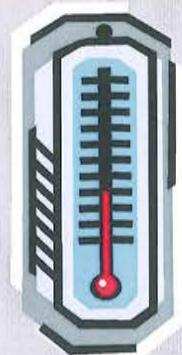
- At Minimum:
 - Statement of Identity
 - Name and Address of a Responsible Party
 - Quantity Declaration
 - Ingredient List
 - Type Size
 - Nutrition Facts
 - Sell-by Date
 - Meaningful Coding
 - Allergen Labeling



Resource Provided: MDA Food Labelling Guide

Temperature Control

Product	Temperature
Frozen Items	0° F or less- must stay frozen
Keep Refrigerated Items	41° F or less
Apple Cider	41° F or less
Licensed Egg Vendor	41° F or less
Cut melons (including samples)	41° F or less



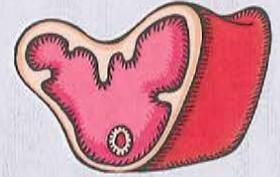
Licensing Locations: Production & Sale

- A person must also be licensed to purchase processed food items (not made by themselves) and re-sell them
 - Includes cider, baked goods, jams, etc.



Meat

- **Beef, Pork & Lamb** must be butchered in a USDA inspected facility
- **Rabbits & Chicken** can be processed in a facility licensed by MDARD or USDA
- If the seller did not produce the animal, the seller must have a Food Establishment license
- Temperature Control and sanitary conditions apply



Eggs

- Licensing exemptions for direct-to-consumer egg sales
- Must be of own production from less than 3,000 hens
- Labeling Requirements:
 - Name and Address
 - Grade or "Nest Run"
 - Sell by date- not to exceed 30 days from pack date
 - "Packaged in a facility that has not been inspected by MDARD"
- Other recommendations for washing, candling, and temperature control



Honey & Maple Syrup

- Producers with gross sales of \$15,001 or more should be licensed by MDARD
- Licensing exemptions for honey & maple syrup producers with gross sales of \$15,001 or less
 - Must follow labeling requirements



Safe Food Sampling Guidelines

Prepared On-site

- Proper food handling procedures:
 - Personal health & hygiene
 - Hand washing
 - Temperature control
- Facility Requirements
 - See page 5 of guidelines

Prepared Off-site

- Must be prepared and packaged in a licensed kitchen
- Must be served in a sanitary manner
 - Temperature control
 - Protected from environment

Licensing Food Prepared at the Market

Licenses come from local/county health departments which charge their own fees.

Food Establishment Licenses

Temporary Food Service Establishment License

- Operates at a fixed location for a temporary period of time not to exceed 14 days

Special Transitory Food Units (STFU)

- A temporary food establishment license to operate throughout the state without the 14 day limit **OR**
- A mobile food establishment that is not required to return to a commissary

Local Health Department Considerations

- Proper equipment
- Sanitary conditions
- Access to running water
- Defined space
- Covered floors preferred
- Proper temperature control

*Note: Work **with** your local health department inspectors. Consult with them on set up and procedures **before** completing the license application and inspection.*



Where can I find more information?

Licensing at Farmers Markets:

www.michigan.gov/mdard/0,4610,7-125-1569_16958-169359--,00.html

Cottage Food Law Information:

www.michigan.gov/mdard/0,4610,7-125-50772_45851-240577--,00.html

Food Establishment Licenses:

www.michigan.gov/mdard/0,4610,7-125-1569_16958_16977---,00.html

Questions and Answers

Diane Prellwitz

Michigan Department of Agriculture and Rural Development Food and Dairy Division

What Market Managers Need to Know about Plant Licensing

Information Provided by Michigan Department of Agriculture & Rural Development Plant Pest Management Division

How is Nursery Stock defined?

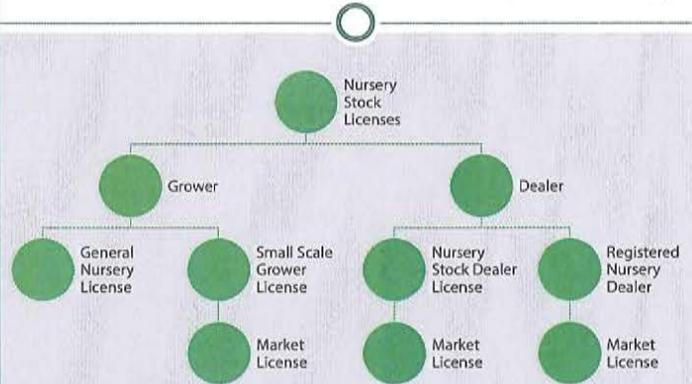
Nursery stock includes any winter-hardy plants, such as trees, shrubs and vines, as well as bulbs, berry plants, perennials, mums, asparagus crowns, rhubarb crowns and hardy herb plants.

Annual bedding plants, annual vegetable plants, cut flowers, cut Christmas trees and cut herbs are excluded from nursery licensing requirements.

Who should be licensed?

Any business or individual who grows, sells, or re-ships nursery stock or herbaceous perennials in the state of Michigan.

Choose the License that Fits Your Business



Resource Provided: Explanation of Nursery Dealer and Grower Licenses

Be Aware of Quarantines & Regulations

- Complete list available at http://www.michigan.gov/mdard/0,4610,7-125-2390_46323--,00.html
- Current quarantine for vegetable plants coming from outside Michigan



Obtaining a Nursery Grower/Dealer License

- Annual License
- Fees depend on License type
- Growers will also need an inspection and will be charged a separate inspection fee
- Nursery Stock Dealers inspected at least every other year. Minimum one hour at \$57/hour
- Can apply online at www.michigan.gov/business
- Be aware of Record Keeping Requirements (Question 6 on Frequently Asked Questions)
- Starting next year, new online licensing system, apply and print license immediately and renew online

Resource Provided: Nursery Stock Licensing Details and Frequently Asked Questions

Where can I find more information?

Nursery Licensing Desk 517-373-4016
www.michigan.gov

What Market Managers Need to Know about Pet Feed Licensing

Information Provided by Michigan Department of
Agriculture & Rural Development

Who should be licensed?

A commercial feed license must be obtained by anyone who intends to manufacture or distribute commercial feed in Michigan.

Commercial feeds include, but are not limited to, feed ingredients, complete and concentrated feeds, feed premixes, and nutritional supplements for livestock, zoo and laboratory animals, wildlife (wild birds, squirrels, deer, etc.), and domesticated pets (unless normally kept in cages or tanks).

How to Obtain a Commercial Feed License

- \$25 annual fee
- Inspection fee of \$0.13/ton feed produced
- Submit copy of all labels with application
- Proper Label Includes:
 - Net weight
 - Product name and Brand
 - Name and address of licensee
 - Ingredient List
 - Date of Manufacture



Where can I find more information?

Commercial Animal Feed License Requirement Q & A

www.michigan.gov/mdard/0,4610,7-125-1568_2388-11180--,00.html

Sales Tax Licensing 101

Information Provided by the Michigan Department of Treasury

What is the market's role in ensuring proper sales tax licensing?

If requested by the Michigan Department of Treasury, the market must provide:

- A list of vendors selling at their market
- The tax ID number for any vendors with a sales tax license
- Optional and appreciated: Contact information for each vendor

On what items should sales tax be charged?

Retail sales of tangible personal property, merchandise, or other goods, in exchange for payment or promise to pay are subject to sales tax.

What about food items?

Taxable

- Prepared foods
- Pet foods
- Medicines
- Alcohol
- Tobacco

Tax Exempt

- Food for human consumption normally considered as grocery items for home consumption

Who should obtain a sales tax license?

Any business that sells retail products directly to the end-use consumer.

Two Types of Sales Tax Licenses

Concessionaire's License

- If you make retail sales at only 1 or 2 events (locations) per year
- Sell at an event for less than 3 weeks
- Complete one application for each event at http://www.michigan.gov/documents/2771f_2901_7.pdf

Business License

- 2 page Application
- *Complete Registration Booklet* available at www.michigan.gov/documents/518_3620_7.pdf
- Complete paper application and submit to Michigan Department of Treasury
 - Submit 6 weeks before opening

Information Needed to Apply for License

In addition to basic information such as address, business location, etc.

- Federal Employer Identification Number (EIN)
- Registered Business Name
 - Sole Proprietorships and Partnerships register with County Clerk's Office
 - LLC and Corporations register with Michigan Licensing and Regulatory Affairs
- Expected amount of taxes you will pay each month
- Can indicate if seasonal business

What kind of reporting is required?

Less than \$750 total tax liability per calendar year

Annual Filer

1 return

\$750 – 3,600 in total tax liability per calendar year

Quarterly Filer

4 returns

More than \$3,600 total tax liability per calendar year

Monthly Filer

12 returns

Where can I find more information?

www.michigan.gov/business taxes

OR

Call the Michigan Department of Treasury at 517-636-4730

Any questions?



Michigan Farmers Market Conference

March 10 & 11, 2015

Michigan State University
Plant & Soil Science Building
East Lansing, MI

Features Include:

- 3 Educational Tracks: Beginning market managers, Advanced Market Managers and Farmers/Vendors
- *Food Safety Regulations and Licensing Breakout Session*- Tuesday, March 10 11:15 a.m. – 12:30 p.m.
- *Licensing for Cooking Demonstrations and Providing Safe Food Samples at Farmers Markets Breakout Session*- Wednesday, March 11 1:30 – 2:45 p.m.

Register at www.mifma.org

Three tracks led by experts in farmers market management and agriculture!

Contact Us

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www.mifma.org