

Beware of the yogurt | The Economist

May 19th 2011

You can't do that here

HOMA DASHTAKI and her family came to America from Iran in 1984 and settled in a neighbourhood of Orange County, California favoured by fellow Zoroastrians. The Dashtakis are the kind of immigrants who give California its vibrancy. Ms Dashtaki's father brought with him a tradition from the old country: the secret of making fantastically good yogurt, the sort that has foodies fighting one another as they throng California's farmers' markets. So Ms Dashtaki, spotting a marketing opportunity in her father's magnificent facial hair, called their little venture "The White Moustache" and prepared to become that all-American immigrant archetype: the entrepreneur.

Alas, after three months of operating (for about \$300 in revenues a week, and no profit at all), she encountered that other American tradition, red tape (after the red bands that used to hold bundles of bureaucratic papers together in the old days). For although she had spent a year getting the required permits from Orange County, she had, it turned out, yet to make the acquaintance of the "milk and dairy food safety branch" of the California Department of Food and Agriculture (CDFA). On a Saturday morning in March, Ms Dashtaki got a call and was told to shut down or risk prosecution.

If the Dashtakis were readers of such publications as *Chief Executive*, they might have had an inkling that this would happen. This month, that magazine published its latest ranking of America's states by their business climate, and California once again came in 50th. (Texas, which likes to see itself as California's nimbler rival, again topped the list.) But Ms Dashtaki does not read *Chief Executive*, nor indeed is she one, so she had no idea.

Her business, while it lasted, consisted of herself, making yogurt on the instructions of her father. Ms Dashtaki was renting space in the kitchen of an Egyptian restaurant where she and her father, "like elves before and after their working hours", lovingly cultured their yogurt under a blanket, then drained it through a certain kind of cheese cloth, then stirred it for hours, and so forth.

For the taste to be divine, everything has to be just so. And, being artisans, they kept the volume tiny, about 20 gallons (76 litres) a week, for sale only at local farmers' markets.

Ms Dashtaki and her father say their yogurt is safe. It always has been, both in Iran and in America. Nonetheless, she was eager to demonstrate the safety of her process and to comply with all regulations. Hence her surprise when she researched just what those regulations said.

For a start, they date back to 1947. When she pointed out to Stephen Beam, the head of the CDFA's Milk and Dairy Food Safety Branch, that the rules might be somewhat out of date, Mr Beam replied that the rules have been “amended many times in multiple areas during the past 60-plus years”. But when Ms Dashtaki researched those modifications, they turned out to concern only frozen or “soft-serve” yogurt, not the regular sort, and they still made no allowance at all for yogurt made from pasteurised milk.

The core assumption behind the CDFA's rules, however, is that all dairy products are made from raw milk, thus requiring elaborate processes that involve proper pasteurisation. The White Moustache, however, was making yogurt from milk that was already pasteurised—Ms Dashtaki bought her inputs from a fancy (and regulated) grocery store in half-gallon glass jugs. Ms Dashtaki thus hoped for a waiver. Absolutely not, replied the CDFA in a communication full of legalese that Ms Dashtaki calls “Kafkaesque”.

The regulator demanded instead that Ms Dashtaki set up a “Grade A” dairy plant, just as a large factory processing raw milk would be required to do. She was told to install, among other things, a “pasteuriser with a recorder”, a “culture tank”, and a “filler”, which apparently also required a “mechanical capper” to screw lids on jars. When Ms Dashtaki pointed out to the CDFA inspector that all this would alter—meaning ruin—the taste of her father's artisanal yogurt, the inspector agreed. But that does not fall within the remit of the state of California's dairy regulations.

Ms Dashtaki soldiered on. Then a licensing officer told her that the code does not permit milk to be pasteurised a second time. So “in order to comply with the order to re-pasteurise my already pasteurised milk, I would need to get

exemption from the head of the CDFA,” she explains. The tale thus went from Kafka to Catch-22.

Ms Dashtaki would have been happy to label her yogurt—“This product does not meet CDFA codes”, or perhaps “The Moustache kills”, as she suggests. Not allowed. The argument that her target audience consists of sophisticated gourmets at farmers' markets fell flat, too.

So The White Moustache remains just a wispy little thing. Ms Dashtaki is pondering whether to move to another state, one whose rules allow for artisanal products. She would not be the first entrepreneur to flee the Golden State. Or she might just give up. After all, one has to make a living. It looks like California's regulators have triumphantly saved their population from the threat of mass poisoning once again.