

Direct Marketing in California

A Guide for Farmers



CAFF



FARMERS
GUILD

COMMUNITY ALLIANCE WITH FAMILY FARMERS

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Acknowledgements



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Introduction

This brochure attempts to explain to farmers who want to participate in direct marketing in California the various laws and regulations that govern the different marketing channels. We have not used official language but instead we have tried to explain the rules in ways that we hope are more understandable. For example, the table of potential violations in farmers' markets has been completely reworded. We have provided links to the regulations themselves in case you need to read the legal language.

In October 2018, approximately 4,000 farmers were certified to participate in certified farmers' markets, of which there are almost 800 in California. We estimate that there are 250 CSAs in the state and an untold number of farm stands and field stands. Farmers also sell directly to local stores and restaurants, but there are no estimates of those sales. Direct sales to schools and other institutions has increased dramatically to \$2.6 million dollars this year among school districts, hospital systems and universities with whom CAFF works, including nearly \$68,000 in farm-direct purchasing.

CAFF was founded in the 1970s at the time the original direct marketing legislation was created. Many of the farmers who started CAFF were involved in that effort. For about 15 years now, CAFF has promoted local food with the Buy Fresh Buy Local campaign. We have published Local Food Guides, provided farmers with marketing materials, cajoled stores and restaurants into buying directly from farms, promoted CSAs, and reached hundreds of thousands of consumers with marketing messaging. We have also been very involved in the direct marketing legislation discussed in this brochure, as we have attempted to ensure the rights of farmers to sell directly in as many ways as possible. We intend to continue this work and we invite you to join us.

Direct Marketing in California

CDFA operates a standardization program for wholesale pack of many fruits, nuts and vegetables. This program was started in 1915 as the Legislature put into statute requirements for standardized containers and later standard pack, including minimum standards for weight, ripeness, labeling, color, and maturity. California was shipping fruit across the country and needed ways to guarantee buyers that they would receive what they ordered. The standardization program was funded by the state's general fund until the early 1990s' fiscal crisis, when all costs were shifted to industry. At that time, a number of commodities chose to opt out of the standardization program rather than assess a per-box charge, including carrots, kiwis, pears, nuts, and berries.

Direct marketing was started in the 1970s during Governor Brown's first stint in office. Small farmers wanted to sell directly to the public without having to comply with all of the standardization rules. Governor Brown issued an Executive Order creating an exemption and then legislation was passed to codify the exemption, with regulations first established in March 1977. Direct marketing is exempt from minimum size, labeling, standard pack, and container requirements. California used to have check stations along highways, and direct marketing was also exempted from these controls.

However, direct marketing is not exempt from quality standards established by marketing orders. Though all rules of a marketing order may not apply to small farms—they may be considered “de minimis” producers—things such as prohibitions on selling under-ripe fruit certainly do apply. For example, since 2007 the federal almond marketing order requires that all almonds be pasteurized before sale to reduce the chance of sickening consumers with salmonella, however there is an exemption for direct marketing that allows the sale of up to 100 pounds of raw almonds per person per day. There is also a general standardization rule that no more than 10% of the produce in any box can be damaged or defective, and farmers often run afoul of this at farmers’ markets. It is important that any producer be aware of what standardization rules might apply to his/her produce and these extensive rules can be found in the California Code of Regulations at Title 3 Food and Agriculture, Division 3 Economics, Chapter 1 Fruit and Vegetable Standardization.

Field Stands and Farm Stands

Field retail stands are producer-owned and operated premises located at or near the point of production (i.e. at the nearest county paved road) established in accordance with local ordinances and land use codes. This is to say that as far as the state is concerned, a farmer has the right to sell whole produce and shell eggs produced on a farm directly to the public and exempt from standard pack at a field stand, subject only to county or city restrictions on such land use—local government may have rules on building, parking, grading, signage, etc. Since AB 224 (2013) established that whole produce and shell eggs produced on California farms are deemed to be from an “approved source,” such sales at field stands also conform to health and safety codes. There are no other rules governing field stands.



Farm stands are field retail stands that also sell processed products. Farm stands can sell not only produce and shell eggs but also value-added processed agricultural products such as jams, preserves, pickles, juices, or cured olives made with ingredients produced “on or near the farm.” These processed products are supposed to be “non-potentially hazardous,” i.e. they can be held without temperature controls. With the advent of the cottage food law in 2013, these products can be produced in a home kitchen with a Type A cottage food license, but that law prevents the sale of more than \$50,000 a year in cottage food. Processed food sales of greater than \$50,000 must be produced in a commercial kitchen.

Farm stands are also allowed to sell some bottled water, sodas, and other non-local, non-potentially hazardous processed foods under AB 2168 (2008), but the law limits farm stands to 50 square feet of such products. The law also specifies health requirements for farm stands:

- No food preparation at the farm stand, other than sampling. Food sampling is allowed if at least a portable toilet and temporary hand-washing facility are available for use by employees
- Processed foods must be stored in a vermin-proof area or container when the farm stand is closed
- All garbage and refuse must be disposed of in an appropriate manner
- No live animals within 20 feet of food storage or sales area, except service dogs.

AB 2168 also gave direct market farmers the right to sell to entities, such as restaurants, that were

going to re-sell the products to consumers. Such sales were widespread but were illegal before 2009. As a result, field stands and farm stands can sell to such entities exempt from standard pack, but they must provide such buyers with a memorandum that lists the name and address of the producer and the type and quantity of the produce purchased, such as a bill of sale or a container label with this information.

The Community Food Producer laws (AB 1990 (2014) and AB 234 (2015)) legalized the sale of produce and shell eggs from urban gardens on land not zoned for agriculture. Such a garden would have the right under state law to erect a farm stand, however cities are likely to have stricter land use rules than counties. AB 1990 requires urban gardens to implement Good Agricultural Practices, but there is no similar requirement for farm stands or field stands.

Community Supported Agriculture (CSA)

In the 1990s and the early 2000s, the CSA movement in the U.S. experienced tremendous growth. However, more recently since the recession it has slowed as farmers struggle to acquire and retain customers in a competitive marketplace. Today fresh and organic produce is more accessible through stores and delivery services, oftentimes cutting out the relationship between consumer and small-scale farmer upon which the CSA was built.

A variety of reasons are to blame for the downturn in CSA participation. To look at the reasons why this occurred in California, a research team led by Professor Ryan Galt at UC Davis conducted the largest state-wide study of CSAs in America from 2012 to 2015. Tasking themselves with understanding the current status of CSA farms, the impacts of competition, and the factors that influence membership, retention, and turnover, the team studied CSA farmers, current CSA members, former CSA members, and California households' general shopping habits. The following are the highlights that CAFF continues to use, in addition to other study findings, to influence our CSA work:

- Current and former members are predominantly female, white, highly educated with household incomes above \$100,000.
- Word-of-mouth is the top way in which consumers learn about CSA.
- 83% of CSA members report an increase in fruit and vegetable consumption.
- Average weekly price of membership: \$26.27.
- Top challenges include member acquisition and retention.

The average retention rate hovers at 63%. Why is there a 37% annual turnover rate?

The main reasons involve issues common to the CSA design: 1) The product mix did not meet their needs, 2) Lack of choice about products included, 3) Too little diversity in products in the share. Work schedules were also commonly cited as interfering with pickup. This suggests a lack of fit between common CSA attributes and much of the population, even those who have tried CSA. However, 80% of former CSA members said they would join a CSA again and the vast majority said they would even be willing to pay more for a share.

CSAs commonly offer a variety of membership options (full share, half share, main-season, spring season, flower share, etc.) to retain customers and accommodate household sizes, needs, and economic situations. And to address the top reasons for member attrition -choice- many CSAs are also employing innovative, alternative CSA models, a few of which are highlighted below.

Alternative CSA Models:

Prepay Card / Friend of the Farm Card

The Friend of the Farm Card is an attractive alternative to the traditional weekly CSA box. Through a pre-payment card that the consumer spends down at will, they can buy the amount and variety of produce when needed. Prepayment amounts vary as do the actual cards ranging from pen-and-paper debits to electronic e-commerce systems. Typically, cards can be reloaded throughout the season. Regardless of system style, this model provides flexibility and freedom while enabling community members to support a farm in a committed way with early season capital.

Free choice CSA /Market Style

The Free choice/market style CSA model sets out the morning's harvest in bulk bins at the distribution site and each member comes weekly to pack up their own box. This distribution may be on the farm or at an off farm location. Also common is a swap-out or surplus table where members can trade items or the farmer can treat members to surplus harvest. This model provides more choice yet still provides farmers with the much needed capital early in the season. Staff must be on site for restocking.

Worksite Drop Off

Workplace CSA program is a means of contributing to a company's wellness and sustainability goals while creating a consolidated market for CSA. The worksite model brings a weekly box of produce to a work place making participation highly convenient. It does however require collaboration between a worksite liaison and the CSA to ensure adequate participation, clear communications, and logistics implementation. See FairShare CSA Coalition's toolkit for an in-depth look (<https://www.csacoalition.org/resource-toolkits/>).

Delivery

To some extent, delivery has become the norm, especially in more urban areas or with larger CSA. Complete with electronic interface, e-communications and even e-commerce, members can customize boxes, stop/start at any time and even add on items to their order that is conveniently delivered to their door or a location nearby. A response to box schemes, it makes the personal relationship to one's farmer, the backbone of CSA, difficult if not impossible.



Increasing Access for Under-Served Communities



Resource-challenge shoppers can join a CSA, contrary to common misconceptions and can even use federal SNAP/CalFresh benefits to participate. For farmers, becoming an authorized SNAP retailer is a growing practice. Through USDA Food and Nutrition Services, CSAs can become authorized to accept SNAP and thus expand CSA to an underserved population. (For more information on applying visit <https://www.fns.usda.gov/ebt/snap-and-farmers-markets>) Advertising is key to participation and cards must be physically swiped at least every 14 days so someone needs to be present.

Helpful CSA Resources:

CAFF CSA Resources offers a wide variety of CSA related information and links.

<http://www.caff.org/resources/csa/>

CSA Solutions Hub is managed by Member Assembler who knows a lot about CSA farming. With everything from marketing tips, to recipes, to drafting surveys and agreements, it's a one stop shop. <http://www.memberassembler.com/hub>

FairShare CSA Coalition toolkit provides CSA networks, farmer groups, and workplace CSA businesses with the framework for several of their signature programs, so that they may jump-start similar initiatives in their respective regions. <https://www.csacoalition.org/resource-toolkits/>

Local Harvest, a local foods search engine, is a way to search for CSAs in different regions across the U.S. Zip code searches seem to be most effective. <https://www.localharvest.org>

CSA communications and peer-to-peer learning opportunities

FarmsReach provides practical tools, services, and connections so farmers can learn from each other and optimize their operations. They have an active listserv for Q&A.

<http://www.farmsreach.com>

Community Supported Agriculture Facebook group for CSAs only hosted by Small Farm Central. CSAs can join this closed group for Q&A with other CSA operators.

https://www.facebook.com/groups/csafarmers/?ref=br_rs

CSA Marketing Facebook group for CSAs only. Peer to peer learning hosted by CSA market expert who provides regular best practices and recorded trainings.

<https://www.facebook.com/groups/csamarketing/>

CAFF shares these successful retention strategies and much more through peer-to-peer exchanges, conferences, and sharing out best practices and recent trends. In addition, a plethora of resources are available at <http://www.caff.org>.



Community Supported Agriculture Policy

After some county Environmental Health officers insisted that CSAs were food retailers without a permit, and that no one was approving them as sources of food, CAFF began an effort to create a law that would make CSAs “approved sources” of food and allow them to be supervised by CDFA. The result was AB 224 (Gordon) in 2013. This law allows a CSA to register annually with CDFA for \$75, and CDFA’s interpretation of the law is that any farm supplying farm products to a CSA should be registered. There are a number of requirements to operate a CSA, most notably a requirement that the farms implement Good Agricultural Practices of some sort. CDFA published a set of small-farm food safety guidelines that you can find on their direct marketing web site (https://www.cdfa.ca.gov/is/i_&c/cfm.html), but this law does not require a farm to follow these guidelines, they are just an example or guidance, since no CEQA process was conducted to make them into official rules. You can also find a list of registered CSA producers and a registration form at the same web site.

A Summary of the CSA Law – AB 224 (2013)

- ♦ (a) “Community-supported agriculture program” or “CSA program” means a program under which a registered California direct marketing producer, or a group of registered California direct marketing producers, grow food for a group of California consumer shareholders or subscribers who pledge or contract to buy a portion of the future crop, animal production, or both, of a registered California direct marketing producer or a group of registered California direct marketing producers.
- ♦ (b) “Single-farm community-supported agriculture program” means a program in which all delivered farm products originate from and are produced at the farm of one registered California direct marketing producer, and no more than a de minimus amount of delivered farm products originate at the farms of other registered California direct marketing producers.
- ♦ (c) “Multi-farm community-supported agriculture program” means a program in which all delivered farm products originate from and are produced at one or more farms of a group of registered California direct marketing producers who declare their association as a group at the time of their annual certification or by amending the annual certification during the year.
- ♦ Requires single-farm or multi-farm CSAs to be farm-based and for all farms involved to register with CDFA each year; CDFA set fee at \$75 a year, each farm pays once a year
- ♦ By registering, Environmental Health considers the CSA to be an “approved source” of food; federal law requires all food in commerce to be from an approved source
- ♦ The alternative would be to get a retail food permit from Environmental Health, which costs \$300-500 per year and requires an inspection of packing facility
- ♦ Everything in the CSA box must be from California farms
- ♦ Single farm CSA can purchase “de minimis” amounts from other farms

- ♦ Box must have name and address of CSA on it
- ♦ Box must be maintained in a manner that “prevents contamination of produce.” This could consist of a food grade plastic liner.
- ♦ Traceability records required: consumers must be informed where everything is from either in print or electronically, and the CSA must retain these records
- ♦ Shell eggs and processed foods that are included must follow laws on labeling
- ♦ If a multi-farm CSA, the operator must have a produce handling license from CDFA, and if handling eggs from other farms, an egg handler license. Handlers must keep records of everything for a two-year period. Produce can be delivered to a multi-farm CSA without standard pack.
- ♦ Establishes minimal food safety standards, no third party audit required, just self-certification for GAPs—food safety guidelines on CDFA web site are just guidance
- ♦ Potentially hazardous foods that are included must be processed and handled according to applicable law
- ♦ Poultry and rabbit meat slaughtered on the farm must be processed according to guidance provided on CDFA web site.
- ♦ All whole produce and shell eggs are deemed to come from an “approved source,” which means that if the farm sells these at a field stand or farm stand, it is also OK. This is the first time that a law in California stated this.

Some producers have found that by registering with CDFA and having the name of their farm appear on the CDFA web site—combined with the last provision of the law that all whole produce and shell eggs are deemed to come from an approved source—they are able to satisfy schools’ and other institutions concerns about only purchasing products from sources approved by health authorities.

In October 2018 there were 71 farms registered with CDFA as supplying or running a CSA in California. The list can be found at <https://www.cdfa.ca.gov/is/pdfs/MonthlyCSA-PaidListing.pdf> and the registration form can be found at the same web site: https://www.cdfa.ca.gov/is/i_&c/pdfs/CSAProducerRegistrationRemittanceForm.pdf

AB 1990 (2014) allows an urban garden to operate a CSA if not overruled by a local ordinance.

The CSA law requires farmers involved in a CSA to implement some form of Good Agricultural Practices to ensure food safety. CDFA was required to post Small Farm Food Safety Guidelines on their web site and these can be found at https://www.cdfa.ca.gov/is/i_&c/sffsg.html. CSA farmers are not required to follow these particular guidelines since CDFA did not conduct a CEQA process. However, poultry producers are required to follow the posted poultry guidelines and of course any farmer that is subject to it is required to follow the FDA’s Food Safety Modernization Act.

Farmers' Markets

The direct marketing exemption from standardization introduced into state law allowed certified farmers' markets to start operating in California in 1977. This program is managed by CDFA and the County Agricultural Commissioners. The Ag Commissioners issue permits to market operators as well as Certified Producer Certificates (CPC) to farmers. The cost of these vary by county. A producer obtains a CPC in the county where the production occurs (or in all counties where production occurs) and may sell in any county specified on the CPC. A certified farmers' market may be operated by one or more certified producers, a non-profit, or a government agency.

It is not against the law to operate a NON-certified farmers' market. For example, produce is often sold at swap meets or other events. It cannot be advertised as a certified market. Often the sellers at such places have often gone to wholesale markets and purchased the produce they are selling rather than producing it themselves. Such markets are common in other states that do not have direct marketing laws like California.

There are many rules associated with certified farmers' markets. For example, there are Environmental Health rules that require each market to obtain health permits from the county, as well as require certain types of food vendors to obtain their own health permits. Some health rules require all food in the market must be at least 6 inches off the ground as well as rules on how sampling is to be done in the market. It is the market manager's job to enforce health requirements as the market manager has the county-issued health permit.

There have been many pieces of legislation over the years that changed the rules of the markets. AB 1871 (2014) was the last such bill and the regulations associated with it have still not been finalized. One purpose of AB 1871 was to increase the fees paid by markets to CDFA to enable better enforcement of the rules. The stall fee that goes to the state was raised from \$0.60 per stall per day to \$2.00 and this fee was applied not only to stalls in the certified section but also to all stalls in the ancillary section. The fee had not been raised since 1991. This fee now generates about \$1.6 million a year, of which \$600,000 is given to the counties for their enforcement efforts.

AB 1871 also altered the list of what could be sold where in markets. Certifiable agricultural products include fresh fruits, nuts, vegetables, shell eggs, honey, flowers, mushrooms, herbs, and nursery stock. Non-certifiable agricultural products include all certified agricultural products that have been processed as well as dairy, pollen, unprocessed beeswax, propolis, royal jelly, raw sheared wool, livestock meats, poultry meats, rabbit meats, and fish including shellfish that are produced under controlled conditions in waters located in California. These can all be sold in the certified section. Processed products must be made from a farmer's own production except for incidental spices, which must be proven. Products that are characterized as services, arts, crafts, bakery, candies, soaps, balms, perfumes, cosmetics, pottery, clothing, fabrics, pastas, compost, fertilizers, candles ceramics, foraged foods, and types of wares are not considered agricultural products and cannot be sold in the certified section. A product that combines an agricultural product with a nonagricultural product such that the purchase price is significantly increased is not considered an agricultural product and cannot be sold in the certified section.

As with the CSA law and the urban gardens law, the revision to the farmers' market law (AB 1871 (2014)) also required farmers acquiring a CPC from the County Agricultural Commissioner to certify that they were implementing Good Agricultural Practices, i.e. food safety, on their farm. This text appears right above your signature on the CPC application. Once again, it is not necessary to follow the exact GAPs spelled out by CDFA, but you have to implement food safety practices. In inspecting farms for compliance with the Food Safety Modernization Act, even if you have an exemption or a qualified exemption from that law, CDFA may ask you to show how you are complying with this food safety requirement of the direct marketing laws.

VIOLATION TYPE		Minor	Moderate	Serious	Suspension
		Fine	Fine	Fine	Duration
		\$50-\$150	\$151-400	\$401-\$1000	0-18 Months
Code	Description of Violation				
FAC §47002	Transport, pack, or sale of nonconforming products, i.e. failing to meet Minimum Grade Standard, Minimum Maturity Standards, Closed Consumer Container(IRQ), or Egg Labeling Requirements that are required regardless of direct marketing exemptions, when selling at CFM	2nd non-compliance (NC) with in 12 months			
FAC §47002(e)	Farmers selling at a CFM need to provide a purchaser (such as a restaurant) or individuals that subsequently sell or distribute the products directly to end users a memorandum (such as a bill of sale or label) which includes: the producer's identity, address, product, and the quantity purchased.	X			
FAC §47004(b)	Reselling agricultural products is not allowed in a CFM and a producer cannot sell his/her agricultural products to another individual with the understanding that they're intended to be resold in a CFM.			X	X
Misrepresentation					
FAC §47022.1	Deceptive pack, such as packages with false bottoms		X		
FAC §47022.2	It's prohibited to mislabel/mislead about products' place of production, quality, grade, trademark, etc. on any wrapper, container, labels or signage that is used in connection with the product being sold.		X		
FAC §47022.3	Falsifying documents or making false statements regarding size, maturity, condition, or quality offered for sale is unallowable.			X	X
FAC §47022.4	It's unlawful to remove a non-compliance (NC) warning tag or notice from a product or container without a written permit to do so from an enforcing officer.			X	X
FAC §47022.5	You need to allow an enforcing officer to inspect your container, sub-container, load, or display. You also must stop in any vehicle that contains products to allow for inspection by an enforcing officer when asked to do so.			X	X
FAC §47022.6	You must allow an enforcing officer to inspect any property used in the sales, storage, or production of agricultural products.			X	X
FAC §47022.7	Alteration of any documents issued by an enforcing officer is unallowable. (i.e.. certified producer's certificate, certified farmers' market certificate, violation, report, statement, etc.)			X	X
Sales Guidance					
CCR §1392.1(b)	Farmers need to obtain a Certified Producer's Certificate from their County Agricultural Commissioner to sell product exempt from size, standard pack, container, and labeling requirements at a certified farmers' market			X	X
CCR §1392.1(c)	Products sold that are not under exemption must comply with all regulations regarding quality and labeling including producer's identity, address, product, and quantity purchased	2nd NC within 12 month period.			
CCR	Selling fresh fruits, nuts, and vegetables must be done in compliance with maturity and quality requirements, such as required by marketing orders	2nd NC within 12 month period.			

CCR	¹ Agricultural products (<u>excluding</u> fresh fruits, nuts, and vegetables) need to be sold in compliance with <u>quality and labeling requirements</u>	2nd NC within 12 month period.			
CCR §1392.2(k)(1)	Selling agricultural products combined with nonagricultural products or services that materially increase the price of the product within the CFM is not allowed	X			
CCR §1392.4(a)(2)	Certified producers cannot sell product(s) they did not produce at a CFM			X	X
CCR §1392.4(a)(2)	Certified producers cannot sell product(s) which they produced but <u>do not have listed</u> on their certified producer's certificate	2nd NC within 12 month period.			
CCR §1392.4(a)(3)	A producer cannot sell non-certifiable product(s) not of own production within a CFM			X	X
CCR	An authorized representative can sell on behalf of only one certified producer at a single certified farmers' market on a single day		X		
CCR	You must have an official county issued Certified Producer's Certificate while selling certifiable agricultural products at a certified farmers' market. (See your County Agricultural Commissioner to obtain a CPC.)			X	X
CCR §1392.4(d)	If using a scale, it must be tested and sealed for use by the county sealer-director of weights and measures. (See your county Agricultural Commissioner.)		X		
Selling Products for OTHER Certified Producers					
CCR §1392.4(e)(1)	A certified producer or authorized representative cannot sell on behalf of more than <u>two</u> other certified producers in a 12 month period		X		
CCR §1392.4(e)(2)	Separate and identify, at the point of sale, one's own products from those of another Certified Producer for whom one is selling according to each <u>certified producer's</u> valid certificate.	<u>X</u>			
CCR §1392.4(e)(3)	You need to <u>add the name</u> of another certified producer for whom you're selling to your producer's certificate.		X		
CCR §1392.4(e)(4)	If you are selling for another certified producer, that producer needs to have your name on his/her certified producer's certificate.		X		
CCR §1392.4(e)(5)	If selling for another certified producer, his/her products must be of lesser volume than the products you have for sale yourself.	<u>X</u>			
CCR §1392.4(e)(7)	<u>Buying and re-selling</u> between certified producers is <u>unallowable</u> . Any payment made for the service of one certified producer selling for another certified producer shall not be related to the volume or value of the products sold.			X	X
CCR §1392.4(e)(9)	If selling for another producer you need to keep the records for three years.	X			
CCR §1392.4(e)(10)	You need to produce <u>records</u> for inspection upon request.	X			
Organics					
CCR §1392.4(f)	You need to post organic registration and/or documentation of organic certification if you are representing product as organic.	X			

CCR §1392.4(g)	Post organic registration and/or documentation of organic certification for the other farm's produce when selling for another certified producer and representing product as organic.	X			
CCR §1392.4(h)	No sale of sprouts with less than 50% having emerged	X			
CCR §1392.4(i)	If selling a single commodity in excess of 25 pounds to an individual or end user, you must provide the buyer with a memorandum/receipt that includes: producer's name, address, product, quantity and date		X		
Signage					
CCR §1392.4(k)(1)	Signage with your name and county of production should be clearly and visibly posted	X			
CCR §1392.4(k)(2)	Clearly and visibly post signage stating "We Grow What We Sell" or a similar statement	X			
Documentation					
CCR §1392.4(l)	Processed products should have: Label or signage that they consist only of agricultural products grown or raised by farm/ranch selling them, with the exception of incidental flavorings and preservatives, as well as the farm/ranch name and location. Labels must have registration number or other identity reference of the facility where the food was processed, at minimum. Meat or poultry products should include where products were cut and wrapped, in accordance with USDA or CA inspection standards. Dairy products need the identity of the facility where the dairy products were manufactured or processed.	X			
CCR §1392.4(m)	An itemized product list is required on any single market day with: agricultural producer's name, commodity, variety, and the quantity of each product sold at the market listed as it appears on the certified producer's certificate, in the same unit of measure/count that appears on CPC, including any commodities used in processed agricultural products that the producer sells at the market.		X		
CCR §1392.5(c)	Documentation of Producer Certificate must be provided upon request				X
CCR §1392.9.1(d)	Report to County Agricultural Commissioner (CAC) any change in Partnership Agreement and/or surrender invalid certificates to CAC		X		
CCR §1392.9.2(d)	Report to County Agricultural Commissioner any change in Farm Lease Agreement and/or surrender invalid certificates to CAC		X		

The X in a column indicates what level of fine will be imposed. Where it says "2nd non-compliance (NC) within 12 months" the fine will only be imposed after the second violation.

In the web version of this table, clicking on the code number will take you to the exact wording of the regulation

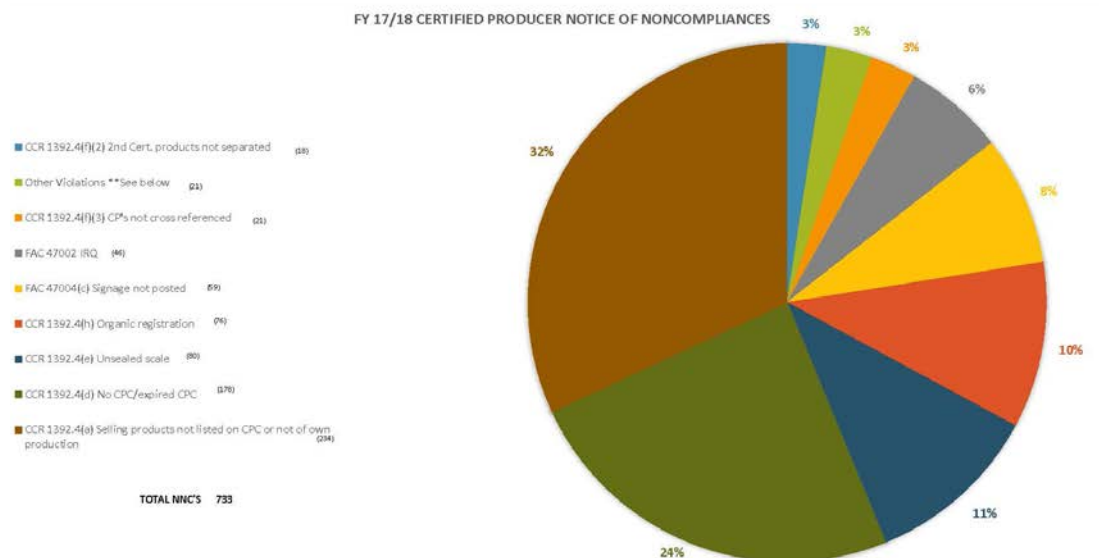
¹ Agricultural Products. Agricultural products include all certified and non-certifiable agricultural products as defined in section 1392.2(1) and section 1392.2(m).

A brochure issued by the County of Los Angeles lists as the most common violations:

- Selling products not listed on the CPC or not of own production
- CPC expired, not embossed, or not posted
- Selling product as organic without being registered with CDFA or certified by an organic certifier
- Selling products by weight without having an approved, tested and sealed scale
- Selling for another producer whose name is not listed on CPC

As shown in the following graph, the most common violations across California in 2017-18 were:

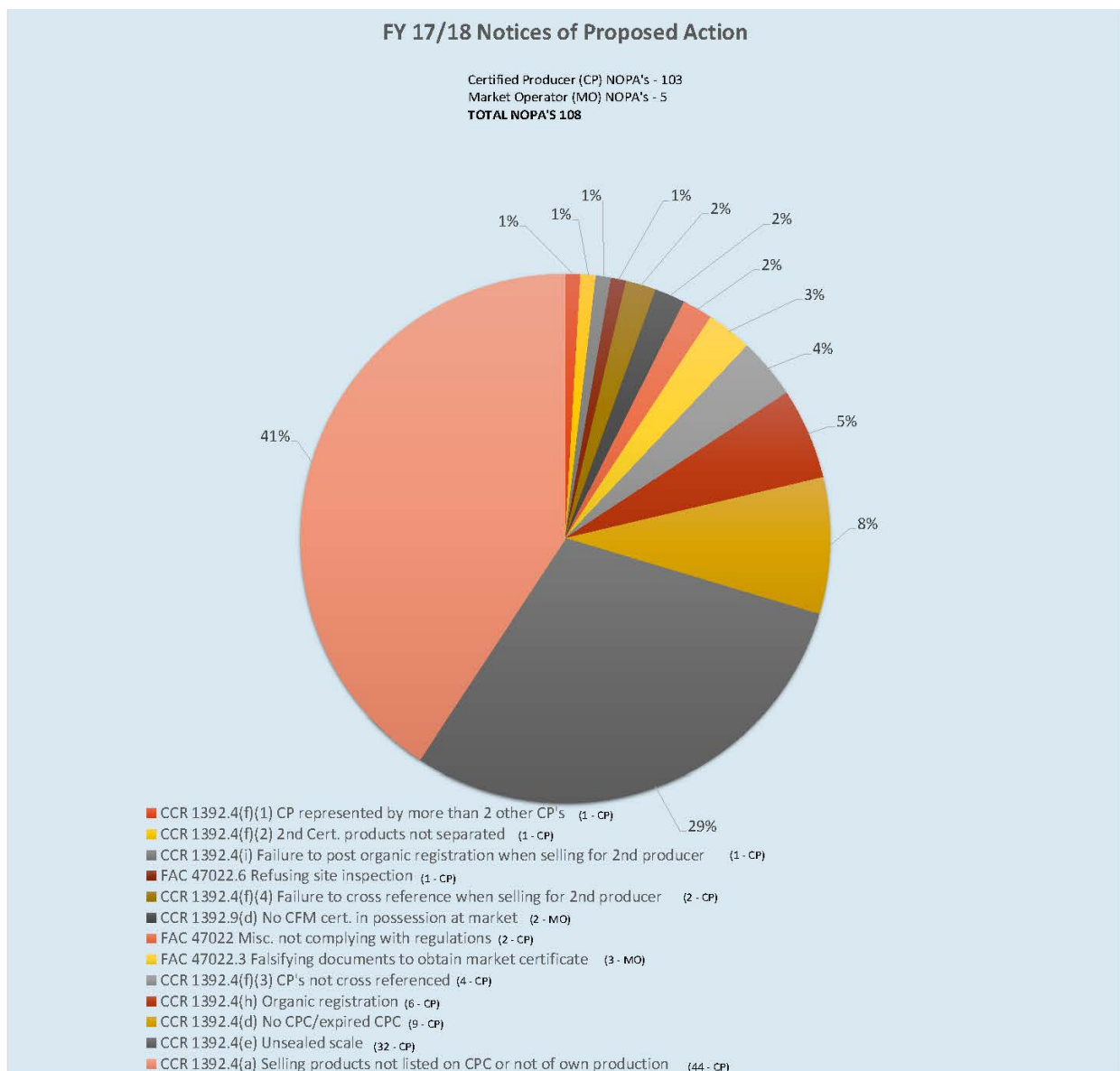
- Selling products not listed on the CPC or not of own production
- No CPC or expired CPC
- Unsealed scale
- Selling product as organic without being registered with CDFA or certified by an organic certifier
- Signage not posted
- No IRQ, i.e. prepackaged, closed containers must be labeled with "I" (identity of the product), "R" (person responsible for the product), and "Q" (the quality of the product in the container)

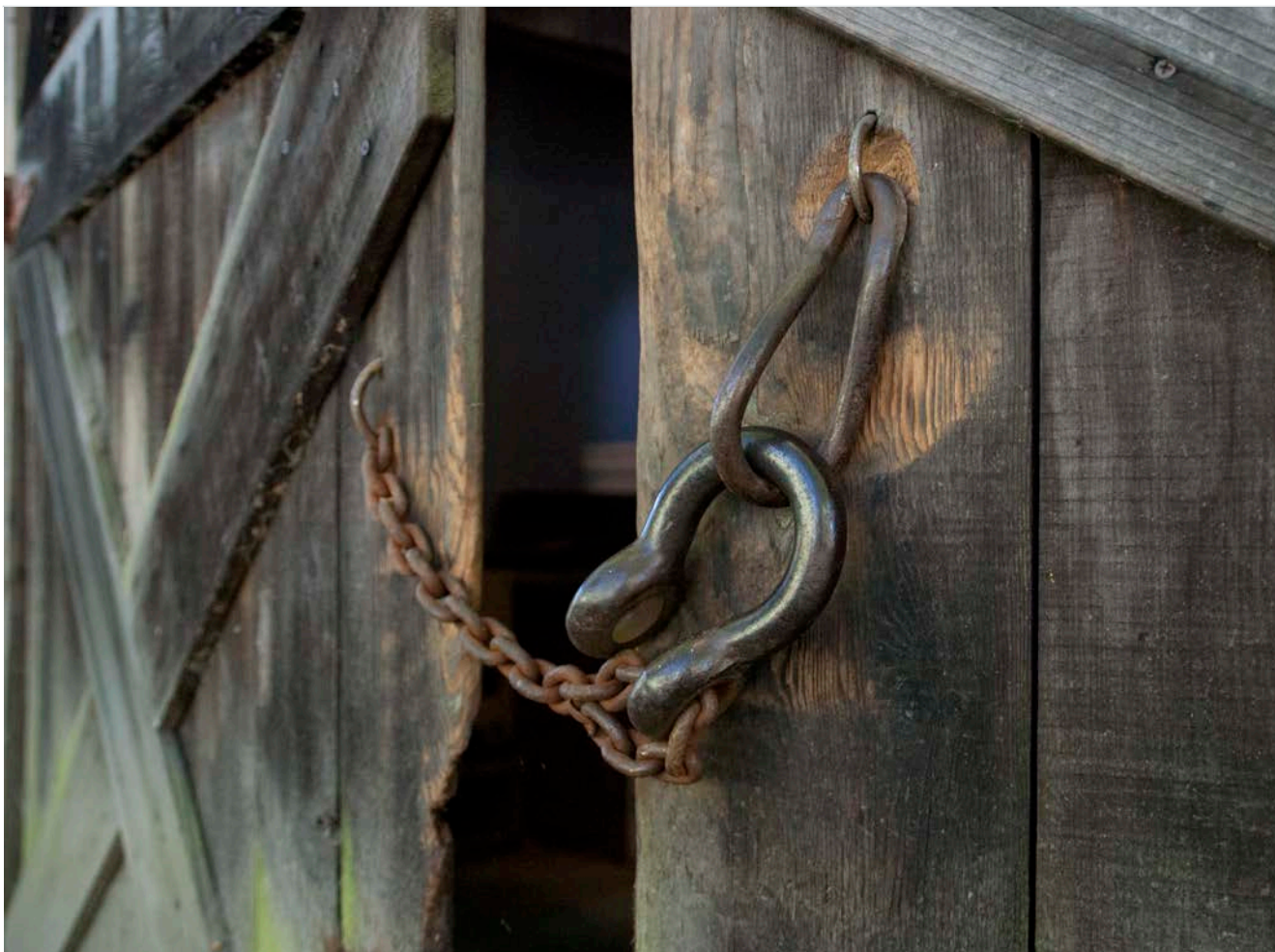


**Other Violations		
CCR 1392.1(f)	Product doesn't meet quality/maturity standard	1
CCR 1392.4(f)(1)	CP represented by more than 2 other CP's	1
CCR 1392.4(i)	Failure to post organic registration when selling for 2nd producer	1
FAC 47004(e)	Selling certifiable ag. products in ancillary section	1
FAC 47022.3	Falsifying documents to obtain market certificate	1
FAC 47022.6	Refusing site inspection	1
CCR 1392.4(f)(4)	Failure to cross reference when selling for 2nd producer	2
CCR 1392.4(f)(5)	Selling more of 2nd Cert. holder's products	4
CCR 1392.9(a)(2)	Selling certifiable products in ancillary section	4
FAC 47022	Misc. not complying with regulations	5

And the violations that escalated to action against producers in 2017-18 were led by:

- Selling products not listed on the CPC or not of own production
- Unsealed scale
- No CPC or expired CPC
- Selling product as organic without being registered with CDFA or certified by an organic certifier





We hope that this publication helped to clarify some of the laws and regulations governing direct marketing channels and provided some best practice examples and resources for increased market success. CAFF will update this document with new information as it becomes available. You can find the publication on CAFF's website at <http://www.caff.org/programs/policy/direct-marketing/>. Contact Dave(at)caff.org with questions or comments.