



*to*

# **DIRECT MARKETING 101**

**May 16, 2016**

**County of San Diego**

**Department of Agriculture, Weights  
and Measures**



# DIRECT MARKETING 101

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# DIRECT MARKETING 101

## Certified Producer Compliance Requirements



**Bonnie Wheeler**  
**Agricultural/Standards Inspector**

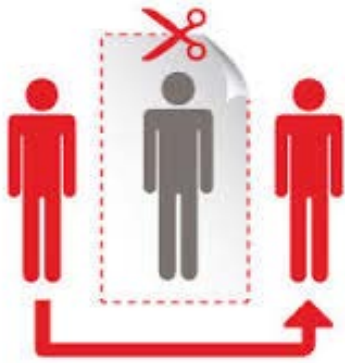
# Topics Covered

- Benefits of Direct Marketing
- Market Inspection Procedures
- Producer Requirements
- Most Common Producer Violations



# Benefits of Direct Marketing

- Provides an alternative method for growers to sell their products



- Skip the middle man
- Set your prices
- Don't wait to get paid



- Brings farmers face-to-face with their customers
  - Loyalty
  - Feedback

# Benefits of Direct Marketing

- Increases access to fresh, quality produce
  - Variety of products
  - Niche products
  - Reasonable prices
  - Promotes healthy communities



I ♥ EATING  
LOCAL FOOD



# Benefits of Direct Marketing

FAC §47002  
3CCR §1392.1

- Standardization Exemption

- Direct marketing allows the sale of fresh fruits, nuts and vegetables directly to the public, exempt from many “Standardization” requirements.
  - Direct marketing = Certified Farmers’ Markets (CFMs), farm stands, Community Supported Agriculture (CSAs), other regulated locations

Code section where corresponding information can be found. (FAC = Food and Agricultural Code; 3CCR = Title 3 of the California Code of Regulations)

- Standardization = minimum standards regarding the...

- |                               |   |                       |
|-------------------------------|---|-----------------------|
| Not exempt                    | { | • Quality             |
|                               |   | • Maturity            |
| Exempt under Direct Marketing | { | • Size                |
|                               |   | • Standard containers |
|                               |   | • Standard Pack       |
|                               |   | • Container labeling  |



...of produce distributed commercially in CA

# Benefits of Direct Marketing

Standardization

vs.

Direct Marketing



Standard containers and specific labeling required

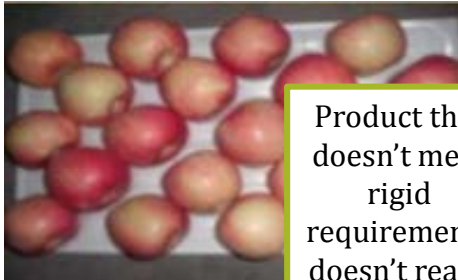
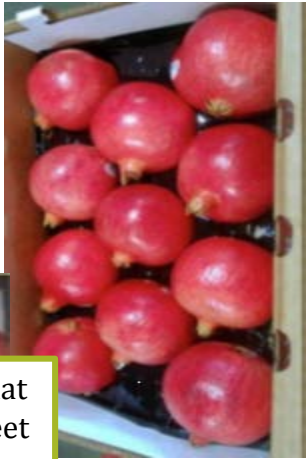
Container Requirements

Products may be transported in any container



# Benefits of Direct Marketing

## Standardization



Product that  
doesn't meet  
rigid  
requirements  
doesn't reach  
market



vs.

## Direct Marketing



Size, Pack  
& Appearance  
Requirements

Un-sized,  
misshapen,  
blemished,  
uneven  
coloring = OK



# Benefits of Direct Marketing

- Standardization Exemption
  - Applies when selling:
    - Direct to end users
    - To entities that re-sell or distribute direct to end users
      - e.g. restaurant, food bank
      - Memorandum required
  - Does not apply when selling:
    - For commercial re-sale
      - e.g. wholesale
      - Memorandum required

Sales Exempt



Sales Not Exempt



# Benefits of Direct Marketing

- Memorandum
  - Producers are required to provide to buyer when selling:
    - Other than direct to consumer
    - >25 lbs of a single commodity
  - Memorandum acts as proof of ownership for the buyer, and must include:
    - Date of purchase
    - Identity of the producer
    - Address of producer
    - Identity and quantity of commodity(ies) purchased



# Market Inspection

- Inspector will review the following for compliance (\*as applicable):

- Products offered for sale
- Certified Producer's Certificate
- "We Grow What We Sell"
- Product Representations
- Cross-references\*
- Closed container labeling\*
- Scales\*
- Organic products\*
- Avocados\*
- Eggs\*
- Honey\*
- Nursery stock\*
- Processed Foods\*



# Products Offered For Sale

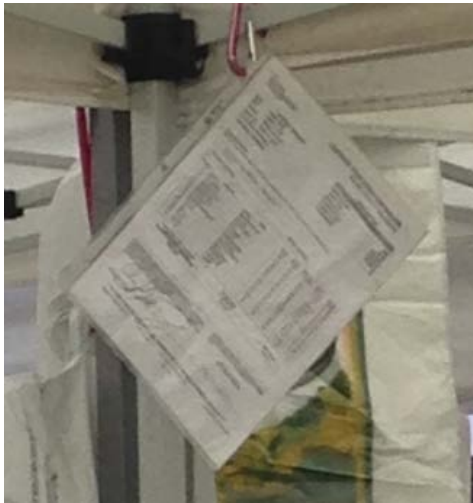
- Only agricultural products 3CCR §1392.4(c)
- All products produced by you and listed on your certificate 3CCR §1392.4(a)
- Includes agricultural products behind your booth and in your vehicle FAC §18
- Quality and maturity
- Inspector may take pictures, follow up at farm



# Certified Producer's Certificate

- Conspicuously posted and embossed

3CCR §1392.4(d)



State of California  
Department of Food and Agriculture  
Certified Farmers' Market Inspection Program  
51-046M (REV 01/15)

## CERTIFIED PRODUCER'S CERTIFICATE ISSUING COUNTY: SAN DIEGO

### CERTIFIED PRODUCER

Name:  
DBA:  
Address:  
City, St. Zip:  
Phone (1):  
Phone (2):  
Email:

### FOR OFFICIAL USE ONLY

CERTIFICATE NO: \_\_\_\_\_  
COUNTY FEE: \$40.00  
ISSUING DATE: 07/24/2015  
EXPIRATION DATE: 07/23/2016  
AMENDED DATE: \_\_\_\_\_  
COPIES ISSUED: 5

### PRODUCTION SITE(s)

Only those products listed below, and grown at the following production site(s) by the certified producer, may be sold at a certified farmers' market.

### STORAGE LOCATION(s)

### MONTHS IN STORAGE

Name(s) of the Producer(s) that the  
Certificate Holder May Sell FOR:

NONE

Issuing County/  
Certificate No

Date Declared

Name(s) of the Producer(s) Authorized to sell  
for this Certificate Holder :

NONE

Issuing County/  
Certificate No

Date Declared

AUTHORIZED COUNTY(ies) - transporting products into another county for the purpose of selling at a certified farmer's market within the county is permitted only in the authorized counties listed on this certificate

Los Angeles, Orange, Riverside, San Bernardino, San Diego

- Dates valid
- Authorized to sell in this county
- All products listed

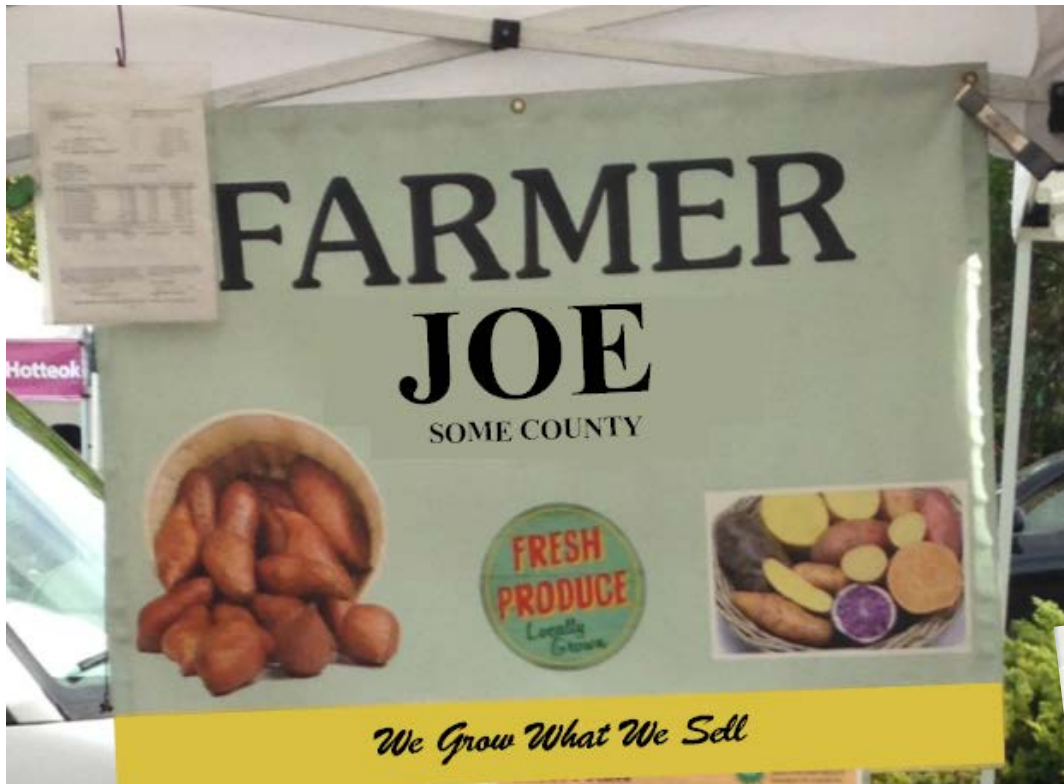
3CCR §1392.5(d)

3CCR §1392.4(a)

Location #	Commodity	Variety	Amount	Unit of Measure	Estimated Production	Unit of Measure	Harvest Season	Season Altering Device	Months in Storage
	ANNONA	ANNONA/CHERIMOYA/ETC	5	Trees	500	Lbs.	Dec - Jul		
	APPLE	APPLE MISC	3	Trees	200	Lbs.	Aug - Nov		
	AVOCADO	HASS (H18)	800	Trees	40000	Lbs.	Feb - May		
	AVOCADO	REED	80	Trees	5000	Lbs.	Jun - Sep		
	BEE HIVES	HONEY/ POLLEN/ WAX	1	Hives	50	Lbs.	Mar - Oct		
	CITRUS GRAPEFRUIT	ORO BLANCO	2	Trees	300	Lbs.	Feb - Jun		
	CITRUS GRAPEFRUIT	RED	2	Trees	300	Lbs.	Feb - Jun		
	CITRUS LEMON	EUREKA	3	Trees	500	Lbs.	Jan - Dec		
	CITRUS LEMON	MEYER	2	Trees	300	Lbs.	Feb - May		
	CITRUS MANDARIN	SAITSUMA	1	Trees	300	Lbs.	Oct - Dec		

# "We Grow What We Sell"

- "Conspicuous" signage posted at booth, including:
  - Name of Farm
  - County(ies) where production occurs
  - "We Grow What We Sell" or statement to that effect
- No size requirement, but must be visible to consumer

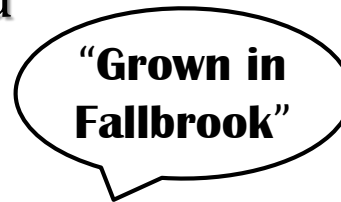


ABC Farm  
We Grow What We Sell  
San Diego County

# Product Representations

- Includes labeling, signs, placards, verbal statements, etc.
- Unlawful to represent agricultural products in a manner that is false, deceptive, or misleading, regarding:

- Where the product was produced



- Who produced the product



- How the product was produced



# Cross-References

3CCR §1392.4(f)

- One farmer may sell for up to two others
- No commission sales/buying and selling between producers
- Keep records (3 years)
  - Date and amount of each product transferred and sold
- Cross-reference must be listed on each producer's certificate



Name(s) of the Producer(s) that this Certificate Holder may sell for:	Issuing County/ Certificate No	Date Declared
FARMER A	(37) 1234	1/1/2015

Name(s) of the Producer(s) Authorized to sell for this Certificate Holder :	Issuing County/ Certificate No	Date Declared
FARMER B	(37) 4321	1/1/2015

# Cross-References

3CCR §1392.4(f)



- Products separated by producer
- Primary producer has more product (@ beginning of market)
  - By weight or \$ value
- Additional producers' certificates posted/embossed/dates valid, county authorized
- We Grow What We Sell signage posted for each producer
  - In correspondence with their products

# Closed Container Labeling

- Closed containers must be labeled with “**IRQ**”
  - **I** Identity of the product
    - “Oranges”, “Blueberries”, “Almonds”, etc.
  - **R** Responsibility statement
    - Name, address and zip code of farm
      - If address can be found in local directory, may list city and zip only
  - **Q** Quantity statement
    - By count, weight, or fluid ounces
- Includes bags, jars, clamshells, etc.



# Closed Container Labeling

FAC §47002(c)

## Examples of IRQ Violations

Some open, some closed... still a violation

Bags come labeled with identity and quantity (must be accurate)... what about responsibility?



# Scales

3CCR §1392.4(e)

- Scales used to weigh agricultural products in CFMs must be sealed by a Weights and Measures Inspector *prior* to being used.
- Indicates they are type-approved, registered, and have been tested for accuracy
- Protects consumers and vendors



# Organic Products

3CCR §1392.4(h)  
FAC §47004(c)(3)  
National Organic Program  
CA Organic Products Act

- Producers of organic products:
  - **Registered** with the State Organic Program
  - **Certified** if gross sales > \$5,000/year
  - Current **registration** and **certification** posted when selling in a CFM
  - Conspicuously label organic products at their booth
  - Prevent commingling if also selling conventional products
  - Have all products sold as organic listed on their current organic registration



Only certified organic operations may display the USDA seal, a certifier's seal, or refer to their products as "certified organic"



# Avocados

FAC §44971(b)  
FAC §44987

- Certification
  - Required for all avocados produced commercially in CA
  - Legislation sponsored by avocado industry (1972)
  - Indicates compliance with quality and maturity standards
  - Certification = inspections, assessment fees, testing, and record keeping requirements



- Avocado Exemption Permit
  - Allows farmers to sell avocados in CFMs without having them certified
  - Exemption permit = free; contact Avocado Inspection Program

# Avocados

FAC §44971(b)  
FAC §44987

- Permits must be obtained for each variety of avocados, each growing season.
  - Permits issued after variety is 'released', meaning all sizes are known to be mature
  - Permits typically expire in October
  - Prior to release – dry matter testing required; product can be sold with a certificate of maturity

## MATURITY RELEASE DATES

Variety	Size 40	Size 48	Size 60	Size 70 & Smaller
Bacon	Oct 21	Nov 4	Nov 25	Dec 9
Fuerte	Oct 27	Nov 10	Dec 1	Dec 15
Hass	Nov 28	Dec 12	Jan 2	Jan 16
Zutano	Nov 16	Nov 30	Dec 21	Jan 4

Exemption permits for Hass issued after Jan. 16

# Eggs

- Certified producers selling **chicken** eggs must:
  - Be registered as an Egg Handler FAC §27541
  - Ensure their eggs meet **quality** and **labeling** requirements
- **Quality**
  - Eggs must be clean and below tolerance for defects
    - Dirt, cracks, leakers, etc. 3CCR §1353
  - Size
    - Small, Medium, Large, Extra Large, Jumbo
    - Determined by weight 3CCR §1352  
3CCR §1353.4
  - Grade: AA, A, B
    - Smaller air cell = higher grade
- Ok to label eggs as *smaller* and *lower* grade than they actually are, **not** the other way around

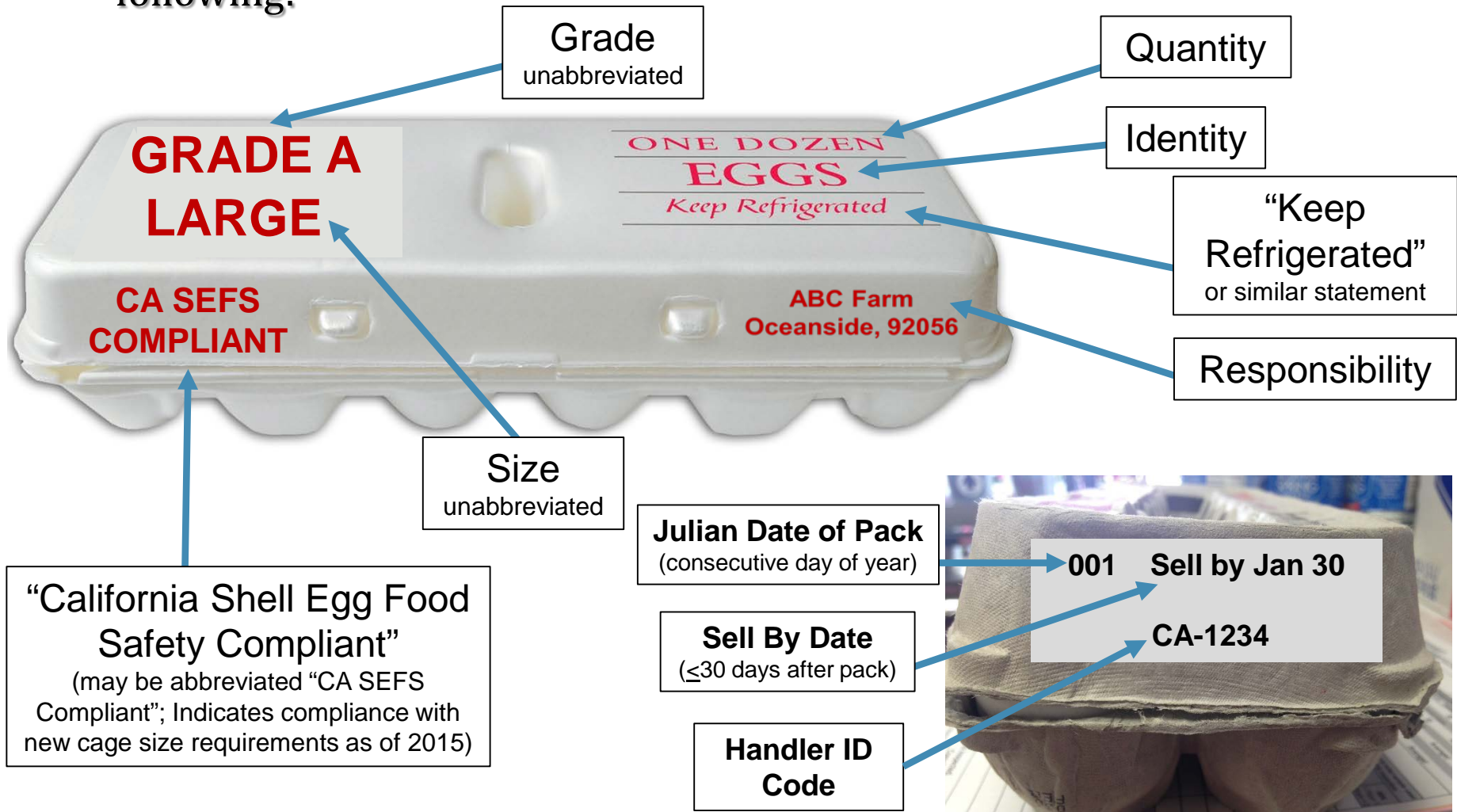


# Eggs

FAC §27644  
CCR §1354

- Egg labeling

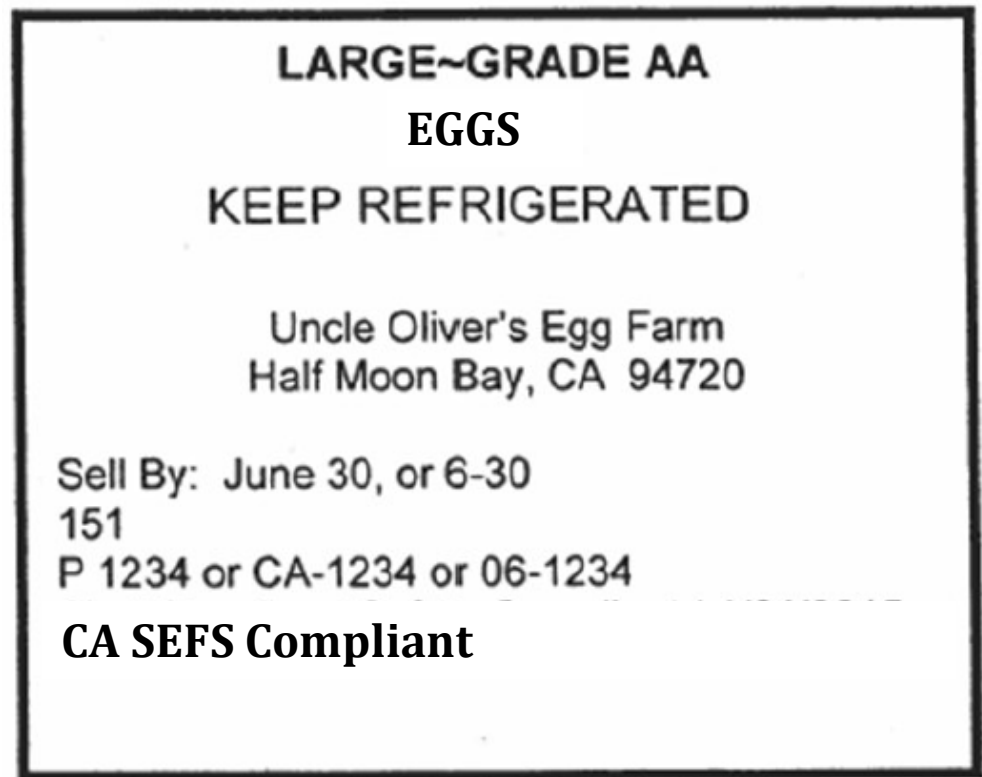
- All containers or bulk displays of eggs must be labeled with the following:



# Eggs

FAC §27644  
CCR §1354

- Egg labeling
  - Eggs sold loose from flats must still be represented by a sign with all required information



# Eggs

- Eggs from other species of fowl:
  - Chicken egg quality and labeling requirements do not apply
  - Label with species (duck, quail, etc.)
  - IRQ if in closed container



# Honey

- Honey labeling

FAC §29581/29611

- IRQ + US Grade (+color if in opaque container)

- Apiary registration

- All beekeepers in California are required to register their hives with the County Agricultural Commissioner
- 0-9 hives = free
- >10 hives = \$10/year
- Receive pesticide application notifications, as well as the latest information on bees, research, and regulation changes.

FAC §29040



# Nursery Stock

- To be sold in CFM, must be planted/propagated by you

FAC §47000.5(b)

- “The practice of the agricultural arts for... plant products includes... responsibility for **all the actions** of planting, growing, fertilizing, irrigating, cultivating, pest control, and harvesting.”



- Selling nursery stock, including cut flowers, requires California License to Sell Nursery Stock

- "Nursery stock" means any plant for planting, propagation, or ornamentation.

FAC §5005

- "Plant" includes any part of a plant, tree, plant product...

FAC §5007



# Processed Foods

3CCR §1392.2(u)

- Agricultural products that have been altered/prepared
  - Cooking, chopping, drying, juicing, etc.
- May be sold in a CFM as long as all ingredients produced by you and listed on your certificate\*
  - \*Exceptions: food coloring, preservatives, seasonings, flavorings
  - Flavoring = “imparts flavor... without changing the consistency of or rendering unidentifiable the original product”



# Processed Foods

- Must be prepared in accordance with Health Department requirements
  - Certified kitchen
  - Cottage food permit (low risk foods)
  - Food handler card
- Documentation must be posted at the booth to verify
- Labeling
  - IRQ if closed container
  - Statement on or near product that all ingredients were produced on your farm
  - Processed Food Registration # of facility where processed

3CCR §1392.4(m)

FAC §47004(c)(2)



# Most Common Producer Violations 2015

1. Certificate not posted/embossed/valid\* (14 violations)
2. Product not listed on certificate\* (12 violations)
3. Product in closed container without IRQ (11 violations)
4. Selling for another producer whose certificate is not posted/embossed/valid\* (8 violations)
5. Scale not sealed (7 violations)

64 Total Violations issued to producers in 2015

\*Also a violation against the CFM

# Tips for Compliance

- Review your certificate often
- Keep documents together; know when they expire
- Use the Self-Inspection Checklist
- Attend Direct Marketing 101
- Train your employees
- Ask questions
- Call us!



# DIRECT MARKETING 101

## Market Operator and Producer Compliance Requirements

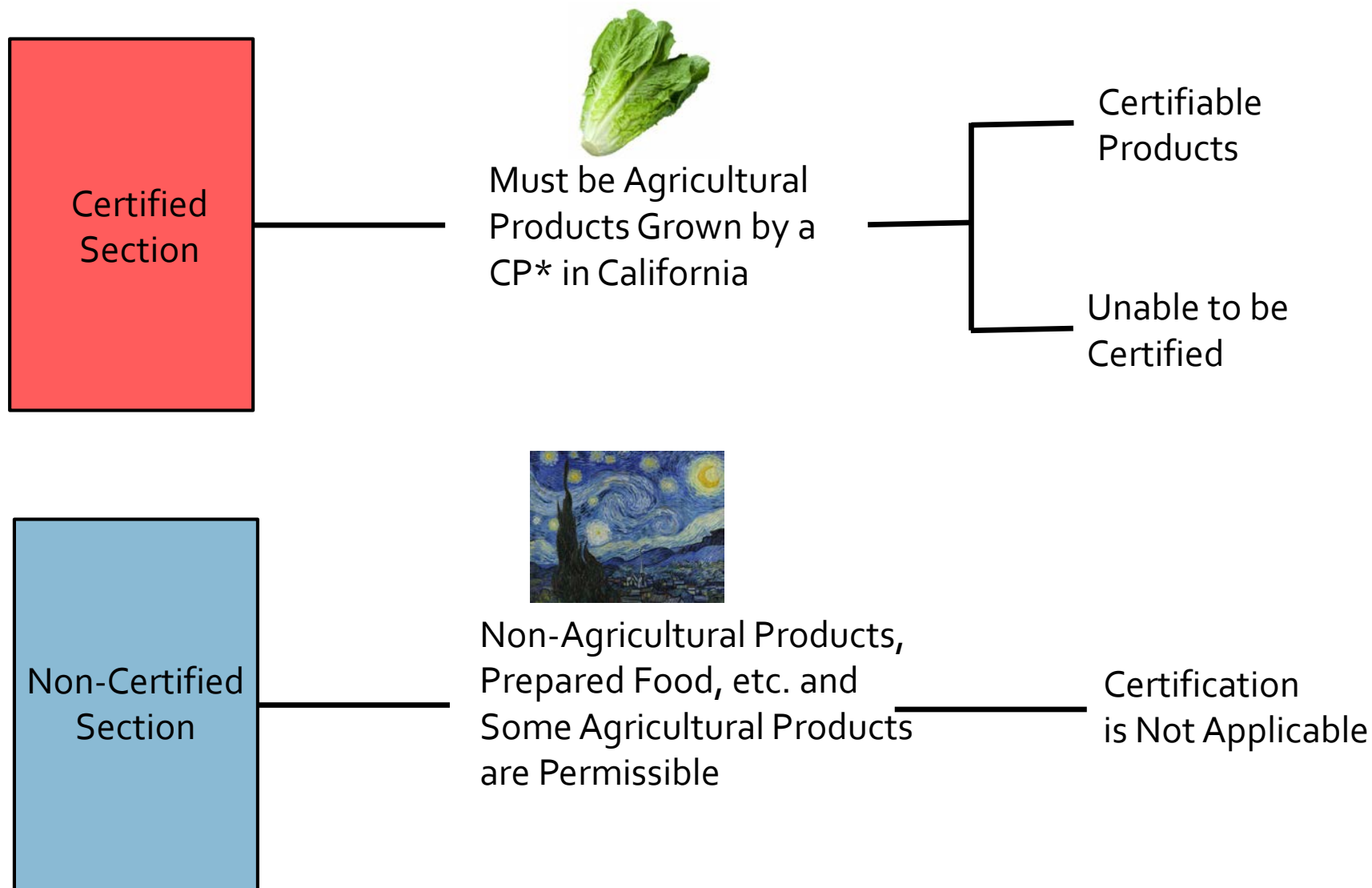


**Ian Schmidt**  
**Agricultural/Standards Inspector**

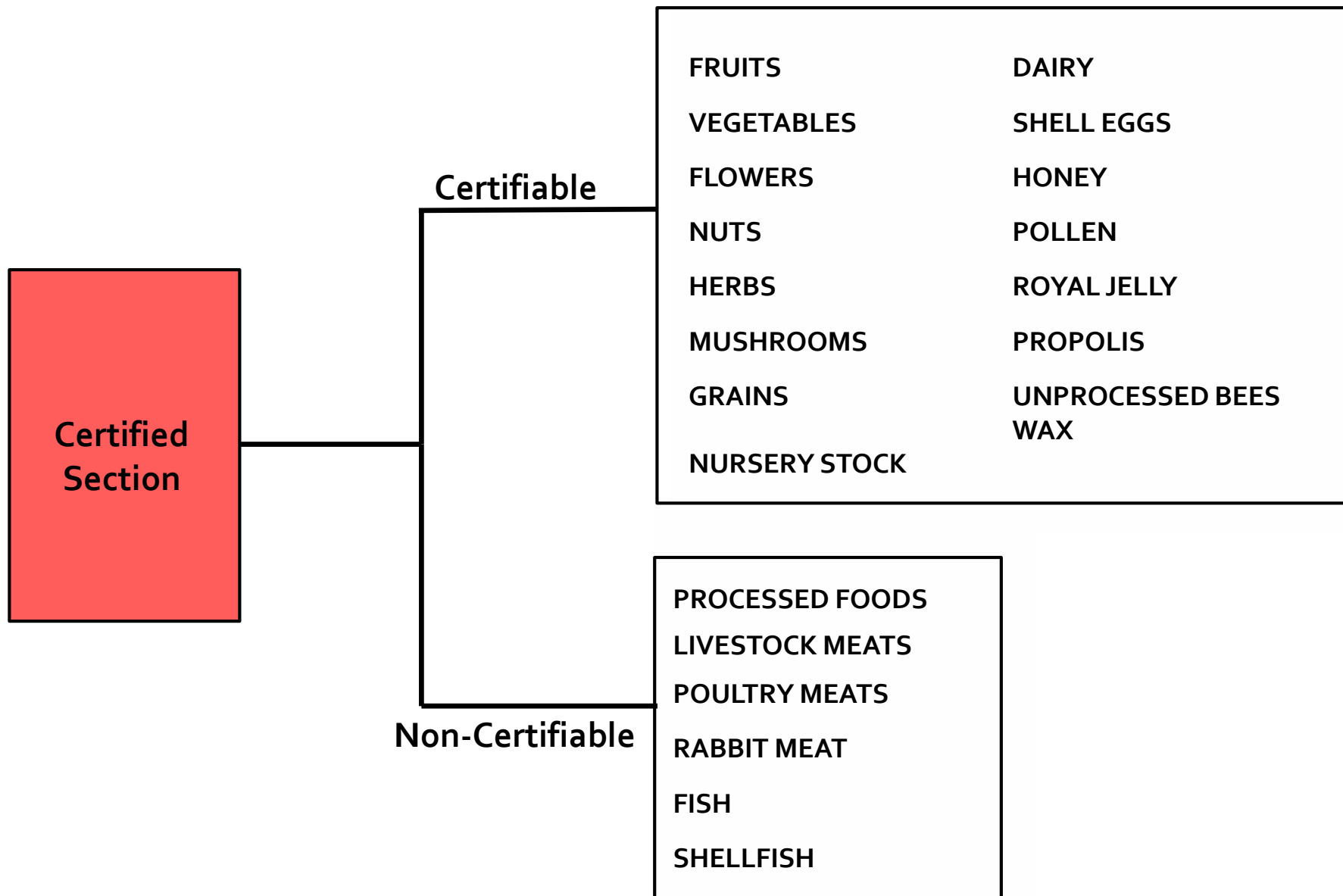
# Topics Covered

- **Products Permissible in the Certified vs. Non-Certified Section**
- **Agricultural Products**
- **Agricultural Products Unable to be Certified**
- **Non-Agricultural Products**
- **Producer and Operator Shared Compliance Requirements**
- **Top 10 violations issued to CFMs 2015**
- **How to Avoid Violations**
- **Q & A**

# Certified vs. Non-Certified Section



# Agricultural Products in Certified Section



# Agricultural Products (Non-Certifiable)

Processed agricultural products from raw agricultural products listed on the certificate, such as:

- Juice
- Jams & Jellies
- Salsas
- Pickles
- Oils
- Wine & Beer



CDFA determines processed products as a “limited number or ingredients or additives which act as a preservative or are essential in the preparation of the product”

# Agricultural Products Permitted in Non-Certified Section

Non-  
Certified  
Section

~~FRUITS~~

~~VEGETABLES~~

~~FLOWERS~~

~~NUTS~~

~~HERBS~~

~~MUSHROOMS\*~~

GRAINS

DAIRY

SHELL EGGS

HONEY

POLLEN

ROYAL JELLY

PROPOLIS

UNPROCESSED BEES WAX

NURSERY STOCK

LIVESTOCK MEATS

POULTRY MEATS

RABBIT MEAT

FISH

SHELLFISH

# Non-Agricultural Products are

- Services
- Arts
- Candles, crafts
- Bakery, pastas
- Candies
- Soaps, balms
- Cosmetics, perfumes
- Clothing, fabrics
- Compost, fertilizers
- Pottery, ceramics
- Foraged foods
- Types of wares



# Non-Agricultural Products Includes

Agricultural products combined with non-agricultural products are not permitted for sale in the certified section

“Added Value”



# Certified and Non-Certified Sections

## Certified Section

Fresh whole fruits, nuts, vegetables, cultivated mushrooms, herbs, and flowers



## Non-Certified Section



Honey



Eggs



Livestock Meat



Cheese



Nursery Stock

Processed Ag. Products



Clothing



Pasta



Crafts



Bakery



Candles



Cosmetics



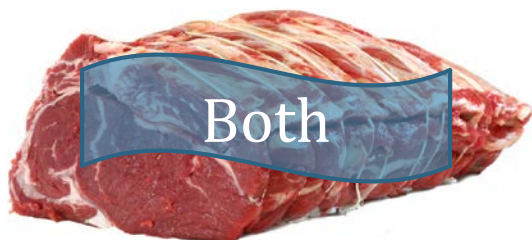
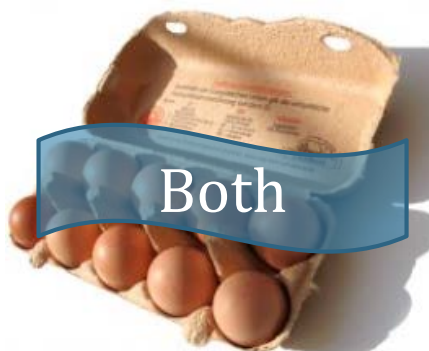
Added Value

Services

Compost/Fertilizer

Foraged Foods

# Which section may these products be sold in?



# Bonus Question, Where can livestock be sold?



**Nowhere**

# Producer and Market Shared Responsibilities

- Certified Producer Certificate (CPC) not posted
- Product offered for sale not listed on CPC
- Cross references missing from certificates or products not separated
- Not of own production
- Selling uncertified/non-agricultural products in the certified Section
- Non-authorized person selling for a producer

# Top Violations Issued to CFMs

1. Certified Producer Certificate (CPC) not posted\*
2. Product for sale not listed on CPC\*
3. Certified Farmers' Market (CFM) certificate not valid
4. Cross reference product not identified/separated\*
- (tie) 5. Uncertified/non-ag product sold in certified area\*
- (tie) 5. Cross reference between CPs not proper\*
- (tie) 6. Load Sheets incomplete
- (tie) 6. Person selling for producer not authorized\*

# How to Avoid Violations

- Follow-Check List Found in Application Packet
- Discard Expired CPCs
- Growing a New Commodity? Get an Amendment
- Ensure Scales are Sealed by the County
- Separate Cross-Reference Products
- Attend the DM 101 Outreach Events Annually
- Ask us Questions

# **DIRECT MARKETING 101**

**Market Operator**

**Compliance Requirements**



**Ian Schmidt**  
**Agricultural/Standards Inspector**

# Topics Covered

- **Uncertified Produce**
- **Defining Certified and Non-Certified Sections**
- **Market Operator Compliance Requirements**
- **How to Avoid Violations**
- **Q & A**

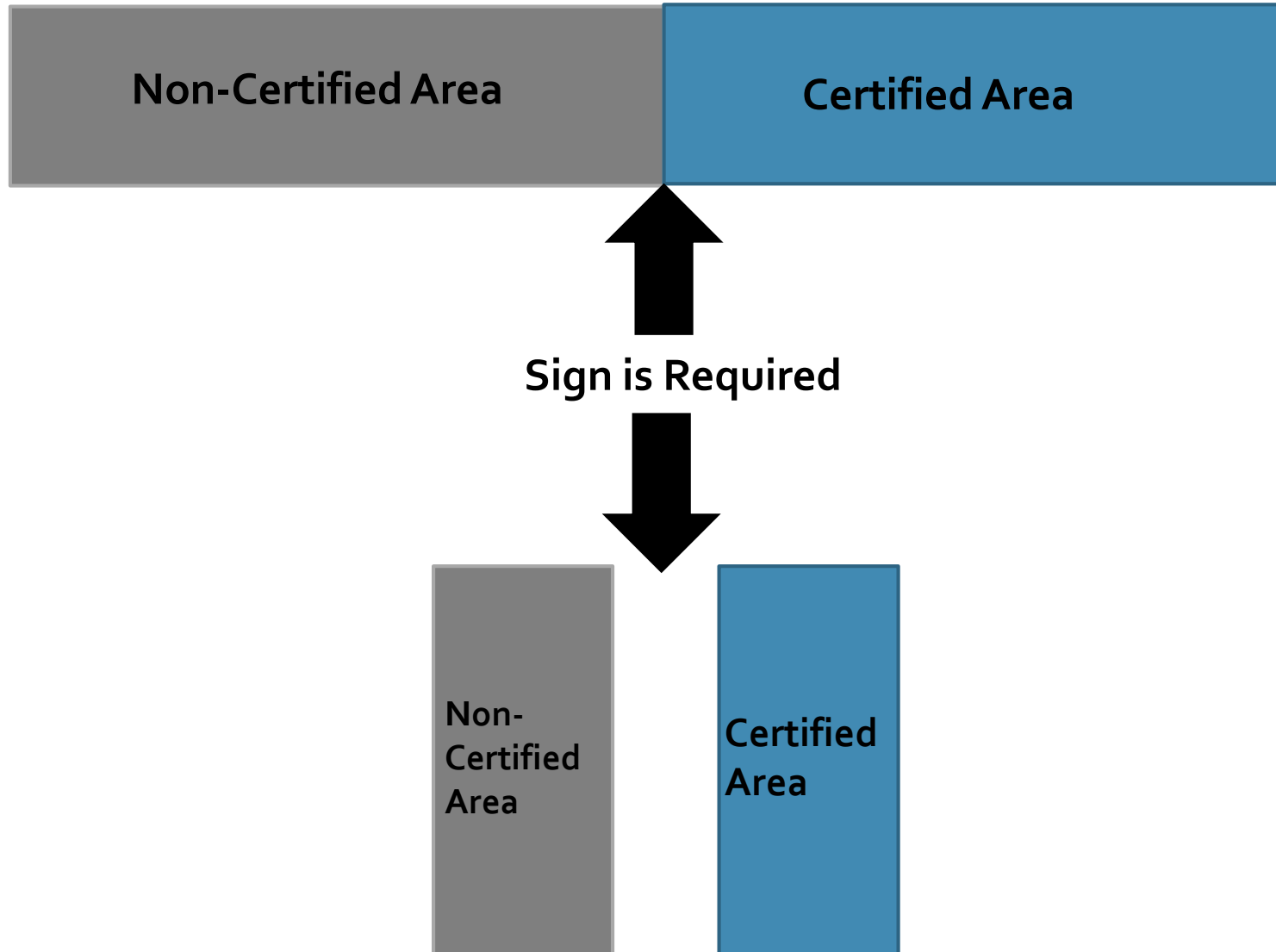
# Prohibited Activity anywhere at a Certified Farmers' Market

Selling or distributing  
*uncertified* fresh whole:

- ✓ Fruits
- ✓ Nuts
- ✓ Vegetables
- ✓ Cut flowers
- ✓ Herbs
- ✓ Cultivated Mushrooms



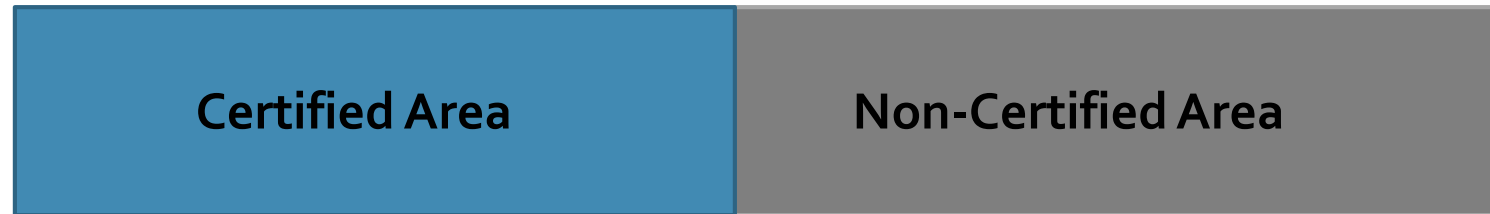
# Distinction Certified vs Non-Certified Area



# Certified vs Non-Certified Area

- Clear separation between the certified section and non-certified section with unambiguous signage
- Non-agricultural products:
  - ❑ cannot share the booth
  - ❑ cannot share the same table
  - ❑ cannot be represented by the same banner
- Market map must show that the booth with the non-agricultural products is correctly placed in the non-certified area

# Distinction Certified vs Non-Certified Area



# Certified vs. Non-Certified Area



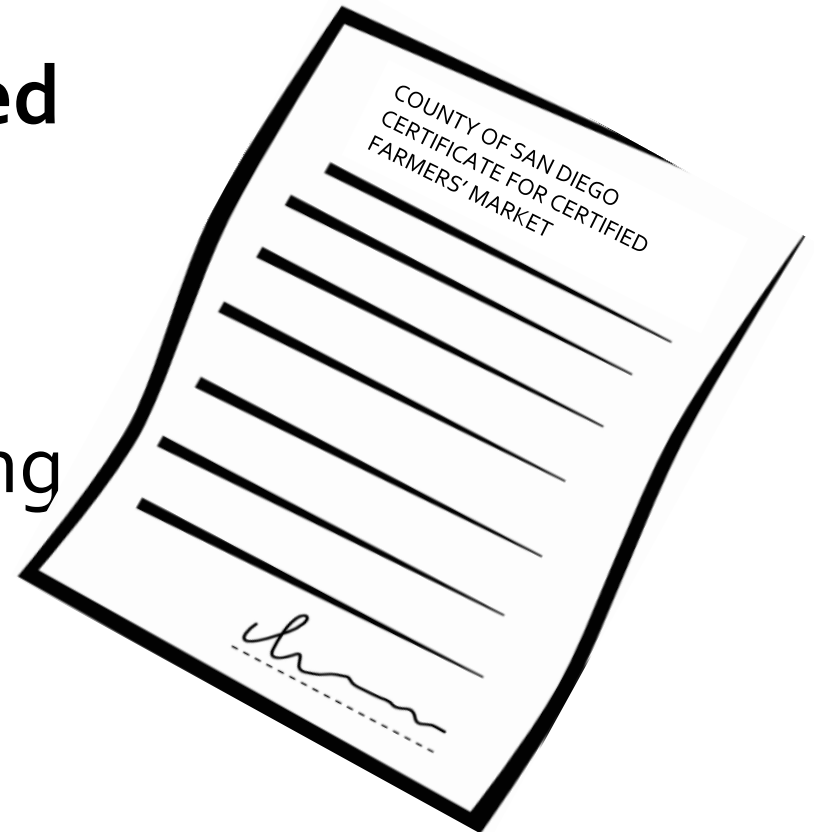
# Example of Booth with Cross-References



- Cross Reference Product Needs to be separated
- CPCs Contain the Cross-References
- Sign Needs
  - "We grow What We Sell"
  - Name of Producer
  - County

# Market Operator Compliance Requirements: Valid Certificate

A current, valid **certified farmers' market certificate** shall be available at any time during market operating hours



# Market Operator Compliance Requirements: Load List

(1) Complete Load Lists include:

- ✓ Name of the certified producer
- ✓ Identity of each product sold as it appears on the certified producer's certificate
- ✓ Quantity of each product sold including all processed agricultural products
- ✓ Name and date of the market

(2) Keep the load lists for **eighteen months**.

# Avoiding Violations

- ✓ Use the Self-Inspection Checklist
- ✓ Learn the Direct Marketing Laws & Regulations and Self-Enforce Your Market
- ✓ Ask Questions and Seek Information
- ✓ Be Familiar with your Producers
- ✓ Person in Charge of Compliance

# CONTACT INFORMATION

## CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)



Certified Farmers' Market Program  
1220 N Street, Sacramento, CA 95814  
Phone: (916) 900-5030  
Email: [cfm@cdfa.ca.gov](mailto:cfm@cdfa.ca.gov)

For more information, forms and links to law and regulations visit  
website - <http://www.cdfa.ca.gov>

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## COUNTY OF SAN DIEGO DEPARTMENT OF AGRICULTURE, WEIGHTS & MEASURES

9325 Hazard Way, Ste. 100, San Diego, CA 92123

### Certified Producers, Certified Farmers' Markets, Organic, Avocado, Eggs:

Agricultural Standards Program

Phone: (858) 614-7786

Email: [AgStandards.AWM@sdcounty.ca.gov](mailto:AgStandards.AWM@sdcounty.ca.gov)

For printable application packets visit website: <http://www.sandiegocounty.gov>

### Pesticide Use:

Pesticide Regulation Program

Phone: (858) 694-8980

Email: [PRP.AWM@sdcounty.ca.gov](mailto:PRP.AWM@sdcounty.ca.gov)

### Scales:

Weights & Measures Program

Phone: (858) 694-2778

Email: [se.awm@sdcounty.ca.gov](mailto:se.awm@sdcounty.ca.gov)

### Nursery Stock:

Plant Health & Pest Prevention Program

Phone: (760) 752-4700

Email: [PHPP.AWM@sdcounty.ca.gov](mailto:PHPP.AWM@sdcounty.ca.gov)

Located in our San Marcos office at 151 E. Carmel St., San Marcos, CA 92078

