CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
CERTIFIED FARMERS' MARKET ADVISORY COMMITTEE (CFMAC)
Meeting Minutes
Sacramento, California
October 29, 2008

MEMBERS PRESENT	ALTERNATES MEMBERS	CDFA
William Lewis	Karen Wetzel Schott	Nate Dechoretz
Howell Tumlin		A.G. Kawamura
Russell Hall		George Deese
Gene Etheridge		Rick Jensen
Nancy Pleibel		Amadou Ba
Pompea Smith		Kathy Alameda
Greta Dunlap		Danielle Wolf
John Silveira		Steve Patton
Kurt Floren		Melissa Eidson
Rick Landon		Thea Lee
John Silveira		

ITEM 1: ROLL CALL

The meeting was called to order at 10:00 a.m. A quorum was established and introductions were made.

ITEM 2: APPROVAL OF JUNE 9, 2008 MEETING MINUTES

The June 9, 2008 meeting minutes were approved.

MOTION: A motion was made and seconded to approve the June 9, 2008 meeting minutes as submitted. The motion passed unanimously.

ITEM 3: CDFA REPORTS

Dr. Amadou Ba provided an update on the program's budget spreadsheet provided to the committee. The actual budget for 2007/08 shows market fees of $185,285.00; total revenue of $193,180, which is in line with the $194,478, projected budget. Dr. Ba went on to state the actual operating expenses were $27,239, with overhead pro rata charges of $14,776, a little more than the projected amount of $9,913. Dr. Ba explained that the pro rata charge is a nominal charge that every program is charged based on the total budget of the program. Mr. Rick Jensen further explained that the percentage for the pro rata charge is provided by the Department of Finance (DOF) and distributed to all

Departments/Agencies which then distribute to all non-general funded programs; that percentage has been going up. Further, administrative charges were $6,000 which was considerably lower than the projected of $9,000. The total overhead was $146,045, and total program costs were $173,283. Dr. Ba explained that the program has a reserve of $20,000, and the ideal would be 25% or $50,000 in reserve. An inquiry was made whether the State could dip into a large reserve. Mr. Jensen explained that reserve funds are protected by statute/code and any reduction comes from the committee. Mr. Nate Dechoretz explained that, indeed, the State can borrow from the reserve, but only borrow, and that it must be paid back with interest. Further discussion by the members on the budget continued.

Dr. Ba provided an overview of the Certified Farmers' Market (CFM) Program Enforcement Model handout. The objective of the model is to increase enforcement within existing budgetary resources to achieve greater compliance from producers and market managers. Dr. Ba explained that $30,000 was budgeted for this enforcement activity. The goal of this enforcement model is to randomly inspect 10 certified farmers' markets every three months and that by statute/code inspections are two-times yearly. This model will increase inspections to make CFMs achieve greater compliance. The committee continued discussions on the CFM enforcement model with emphasis on shortfall from fees collected and expenditure offsets.

ITEM 4: SENIOR FARMERS' MARKET NUTRITION PROGRAM (SFMNP)

Mr. George Deese introduced Ms. Kathy Alameda, and Ms. Danielle Wolf, from CDFA's Federal Funds Management Office (FFMO), the facilitators of the Senior Farmers' Market. Mr. Deese explained that CDFA, at the request of the United States Department of Agriculture (USDA), is now managing the SFMNP program. The Department of Aging had been managing this for the past seven years, but decided to cease the program's management. Mr. Deese explained that $800,000 is available for the program with California eleventh in the nation for the amount of funding compared to New Jersey which receives $1.3 million in funds.

Ms. Alameda explained that FFMO is doing a major push to grow the program which will provide more revenue for producer's and CFMs. Ms. Alameda explained that FFMO works with 32 area Agencies on Aging to get the coupons out to seniors. There are requirements that seniors must meet to qualify, must be 60 years of age, and be low-income. Ms. Alameda explained that for this program to grow, 85% of the funds USDA has allotted in the current grant, or $688,000, 344,000 coupons at $2.00 each must be redeemed; so far, only 117,000 coupons have been redeemed. Ms. Alameda emphasized that CFMs should not hold on to the coupons but deposit them as soon as possible as it is extra money for the CFMs.

Ms. Alameda clarified that markets sign up as they did for the WIC program with the same type of certification process. The Senior Farmers' Market coupons are good for fresh fruits, vegetables and herbs, no processed foods. Honey is not on the list this year, but will be eligible in 2009. Ms. Alameda explained that seniors may receive between $20.00 to $50.00 per year in coupons; the amount is set by the State, which has set the maximum at $20.00. The CDFA also does compliance visits to regulate coupon usage. Committee discussions continued on the procedures of reaching seniors and the CFMs role.

ITEM 5: NEW CHANGES IN THE WIC PROGRAM

Mr. Andy Barbusca, updated the committee on the WIC program. Mr. Barbusca explained that the WIC program will be doing a 2-month transition to CDFA in allowing WIC participants to go to CFM to buy fresh fruits and vegetables; this program will be starting in grocery stores October 2009; he was unsure when CFMs will be authorized to accept WIC. Mr. Barbusca indicated that currently WIC funding is $2.4 million and adding $80 million per year for fruit and vegetable vouchers. The program has certain foods that are disallowed to be purchased, white potatoes, certain types of cereal because of the sugar content and honey, as the perception is that it does not have nutritive value. Mr. Barbusca explained that there is no shortage of white potato consumption in the US, and that the perception is most is consumed as french fries; therefore, it is preferred that vouchers be spent on leafy greens or vegetables. Distribution of vouchers will be as follows: if a participant is breast-feeding, will receive $10.00 monthly; other participants receive $8 monthly, and each child receives $6 monthly. Mr. Barbusca explained that there will be heavy training associated with this change indicating that farmers need to understand how to handle the vouchers that participants present. Participants must show identification, sign the check in front of producer, producer must write the amount on the check, and no change is allowed.

Ms. Pompea Smith announced that the Supplemental Nutrition Program for Women, Infants, and Children (WIC) has been working on changing the dietary guidelines for the program participants. Although Ms. Smith is pleased with WIC's proposed dietary guidelines, she would like to see the program provide support for small farmers by means of a program that would allow WIC recipients to access the direct marketing system. Ms. Smith explained that certified vendors will likely be the main beneficiaries of the revised dietary guidelines and encouraged the committee to provide comments to WIC on the proposed dietary guidelines.

ITEM 6: REGULATION REQUIRING CERTIFIED PRODUCERS TO LIST MARKETS INTHEIR CPCs

Ms. Greta Dunlap updated the committee on the need for a regulation requiring certified producers to list the markets they participate in. At this time, there is no record of where producer participates anywhere in the state or the counties. Ms. Dunlap suggested that Certified Producer Certificates (CPC) extend the requirements to not only list the county but also markets for a 12-month period. This way, if issues arise an inspector has the ability to check the other areas. Committee discussed the legal ramifications, issues of competition, and the ability to audit CFM fees payments.

Mr. Jensen clarified that he needs to look at the Food and Agriculture Code to see how this change in the CPC can be done. First, CDFA's Legal Office will need to review and decide if changes are allowed.

The committee suggested this be an agenda item for the next meeting.

ITEM 7: AGRICULTURAL COMMISSIONER'S REPORT

Nothing significant to report.

Mr. Floren continued with AB2168 as an actual "health code bill." The bill was originally drafted to provide assistance to farm stands and "u-pick" operations that were selling prepackaged food, i.e., bottled water and soft drinks. Mr. Floren provided a brief synopsis of the evolution of AB 2168. Mr. Floren explained that the Agricultural and Sealers Commission established a work group and has coordinated efforts with the California Farm Bureau and the California Federation of Certified Farmers' Markets to draft proposed amendments. Mr. Floren discussed concerns related to food safety and trace back and stressed the need to establish a clear paper trail for produce sold at farm stands, field retail stands, etc. Mr. Jensen discussed the necessity for trace back mechanisms and opportunities for introducing underserved communities with fresh agricultural products. The committee subsequently discussed issues related to the legislation and issues related to trace back and food safety. Mr. Floren discussed the implications related to health code exclusions in relation to bottled water, soft drinks, and snacks.

The bill went beyond sales to customers to sales to restaurants. CFMs define farm stand and field retail stands. The bill allows CFMs to sell to re-sellers one-time, this can include restaurants, and non-profits that re-sell to low-income residents. This provision creates an enforcement issue as to whom the CFM is selling to; the CFM won't know unless asks. The word "consumer" needs better clarification and needs to be redefined in the regulations. The word "end-user" has a common sense interpretation; however, it may also need to be redefined. The committee member will address the definition of "consumer" and redefine "end-user".

The committee took a break at 12:15 p.m. and reconvened at 1:00 p.m.

ITEM 8: CHAIRMAN'S REPORT

Mr. Gene Etheridge noted that the committee would recognize members who term out with some sort of gift, but that it hasn't been followed for a while; he would like to reinstate recognition of job well done. Mr. Etheridge inquired if the committee would approve the recognition of members retroactively since several people have termed out recently. Dr. Ba mentioned a letter, signed by the Secretary of CDFA, as a thank-you gift.

Mr. Hall inquired how a member could be reappointed to the committee after having served. Mr. Jensen explained that code language specifies a member needs to sit out one term (2-year period) and then can be re-appointed as a new member; can only serve four (4) consecutive 2-year terms. Mr. Etheridge inquired as to who is eligible to be on the committee; must be a certified producer, but should the person also be active in farmers' markets. Mr. Jensen indicated that the law states to be eligible for the committee must be a certified producer, and no mention to being active in CFMs. Mr. Etheridge inquired as to whether that language should be changed. Further discussions on the issues of what requirements a member should have to be eligible.

ITEM 9: MEMBER APPOINTMENT PROCEDURES

Dr. Ba provided an update on committee vacancies. There are currently two certified producer vacancies, six alternate certified producer vacancies, one CFM manager vacancy, two alternate CFM manager vacancies, two alternate county agricultural commissioner vacancies, and one alternate public member vacancy.

Dr. Ba discussed the handout of the biographies of the candidates who have applied for the various positions. Dr. Ba explained that the procedure is to advertise an open position, receive applications of those interested, confirm the applicants are certified producers, and then request a recommendation from someone in the industry. Dr. Ba requested the members review the applicants and email him with any concerns or inputs within the next two weeks. The members went on to discuss the applicants and the qualifications required to be appointed.

ITEM 10: NEW BUSINESS

No new business.

Mr. Hall inquired about the WIC program and why it prohibits farmers from giving change, and the need for more opportunities for value-added products. Mr. Barbascu responded that it is a way to prevent fraud, and keep the integrity of the program.

ITEM 11: DISCUSSION ON FARMERS' MARKETS STRATEGIES

Secretary A.G. Kawamura, CDFA, spoke to the members on strategies to grow CFMs. Secretary Kawamura spoke of the "four A's" which are affordable, access, agricultural, and abundance of fresh, homegrown produce for the consumer. Statistics show that health care dollars are divided as 95 percent in after sick care and only 5 percent in preventive health care which can be turned around with the WIC and Senior Farmers'

Market programs. Secretary Kawamura explained marketing strategies, such as advertising on rapid transit to bring attention to CFMs. The use of electronic benefit transfer (EBT) cards. With the implementation of the new US Farm Bill, there may be potential funds available for the program. Mr. Dechoretz discussed opportunities for additional monies in a variety of programs in the new Farm Bill. Secretary Kawamura has continuously monitored the Farm Bill and is exploring potential funding sources for a variety of agricultural related programs.

The growing demand for fresh and local fruit and vegetables will likely increase the number of farmers' markets in subsequent years. Since California's demographics are projected to change, farmers' markets are expected to help serve low-income populations. Farmers' markets also have the opportunity to be part of other institutions such as college and university campuses. The committee then discussed issues related to the future of direct marketing and certified farmers' markets in California.

The committee thanked Secretary Kawamura for his support of CFMs.

ITEM 12: MEMBER ROUNDTABLE DISCUSSION

Mr. Lewis discussed the potential for marketing value added products at certified farmers' markets. Mr. Lewis iterated his desire for adding value added products at certified farmers' markets, particularly products produced from honey and beeswax. The committee subsequently discussed issues related to trace back mechanisms and rulemaking proposals for value added products.

ITEM 13: NEXT MEETING/AGENDA ITEMS

The next meeting is scheduled for March 4, 2009 in Sacramento.

ITEM 14: ADJOURNMENT

The meeting was adjourned at 3:00 p.m.

Respectfully submitted by:

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Amadou Ba, Supervisor
Certified Farmers' Market Program
Inspection and Compliance Branch

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