



**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
CERTIFIED FARMERS' MARKET ADVISORY COMMITTEE (CFMAC)**

February 26, 2020

Meeting Minutes

Cuesta College, CA-1

Building 5400, Room 5401

San Luis Obispo, CA 93405

MEMBERS PRESENT

Ben Palazzolo
Carla Rosin
David Runsten
Ed Williams
James Murez
Joyce Chan
Karen Wetzel Schott – Chair
Kurt Floren
Oscar De Leon
Paul Stonebarger
Phillip Rhodes
Portia Bramble
Suzi Grady
Tyler Thayer

MEMBERS ABSENT

Ann Filmer
Cynthia Ojeda
Lulu Meyer
Susan Hutchinson

CDFA

Dominic Hickman
Jennifer Chan
Jennifer Leidolf
Joshua Bingham
Marcee Yount
Maria Tenorio Alfred
Mitchell King
Rene Mendoza
Steve Patton
Thomas Osborn

ITEM 1: CALL TO ORDER-INTRODUCTIONS/ROLL CALL

The meeting was called to order by Karen Wetzel Schott, Chairperson at 1:05 PM, and introductions were made. Roll was called by Mitchell King and a quorum was established. Suzi Grady arrived at 1:21 PM, during the Information Technology Updates.

ITEM 2: PUBLIC COMMENTS

There were no public comments.

ITEM 3: INFORMATION TECHNOLOGY UPDATES

Jennifer Chan, CDFA's Chief Information Officer, presented an overview of the Department's Office of Information Technology Services (OITS) processes to the CFMAC, including the budget process and the database approval process.

Chan informed the CFMAC that the Certified Farmers' Market (CFM) Conversion database project is currently being reviewed by the California Department of Technology (CDT). CDT will decide if the project will be delegated back to CDFA or if it

will remain with CDT for their oversight; the decision will be based on staff competency and capacity, and the complexity of the project.

Chan described the OITS review process for proposed IT projects as the State Project Approval Lifecycle Process from proposal to implementation and maintenance. Chan provided a handout to the CFMAC with this detailed information.

Ed Williams asked Chan if it is possible for CDFA to identify and purchase commercially available software products, and if using this software would be faster than building a database. Chan explained that purchasing a product off-the-shelf would not be faster, as every project must still go through the formal approval process.

Discussion ensued regarding the potential timeline for the database to be built and the budget availability for the CFM Conversion project.

Chairperson Schott asked if there would be a need for the CFMAC Database Subcommittee to meet and discuss the project with OITS. Steve Patton stated that this is not currently necessary as the project is awaiting further approval to proceed.

Chan informed the CFMAC that as additional information becomes available, it will be shared with the Program.

ITEM 4: HEMP REGULATIONS

Maria Tenorio Alfred gave an update on Hemp Regulations, bringing the CFMAC's attention to a Frequently Asked Questions (FAQ) document that was published by CDFA's Hemp Program. Tenorio Alfred informed the CFMAC that the Direct Marketing Program and the Hemp Program met to review what hemp products could be sold in the certified section of CFMs. It was determined that hemp could potentially be sold as nursery stock at CFMs, if CDFA's Nursery Stock Program requirements and all local and county ordinances were met. Tenorio Alfred further stated that hemp by-products such as sunscreen, shoes, balms, clothes, soaps, etc. are not agricultural products for the purposes of direct marketing and cannot be sold in the agricultural section of the market.

Williams stated that he expects most of the hemp sold at CFMs to be either cut flowers or oils and similar products. Williams further stated that hemp should be treated as an herb. Patton stated that hemp can only be sold as cut flowers if there is a certifiable hemp product on the producer's certificate. Patton provided the example of zucchini and zucchini flowers, stating that zucchini is the certifiable product, but the zucchini flowers can be sold as a non-certifiable agricultural product, since the zucchini would be listed as a certifiable product on the producer's certificate. Patton also stated that for hemp oil to be sold in the certified section of the market, the hemp would have to be listed as a certified agricultural product (nursery stock or an herb) on the producer's certificate, since hemp oil is a processed product.

Williams stated he expects hemp to be fully integrated with federal regulations. Williams does not see nursery stock as being a viable option for hemp sales in CFMs due to the regulations restricting the transfer of hemp nursery stock.

Kurt Floren asked if there would be any sampling or testing done at CFMs to verify that what is being sold is industrial hemp and not cannabis. Patton informed Floren that this would be under the purview of the California Department of Health (CDPH) and would not be the responsibility of CFM operators or county staff. Floren expressed concern regarding the potential liability for CFM operators.

James Murez asked if it was anticipated that hemp would be listed on certified producer's certificates. Floren responded stating that it could be listed, given the current interpretation and the requirements. Williams stated that Ventura County and some Bay Area counties are currently placing hemp products on certified producer's certificates.

Portia Bramble noted that Humboldt County has received notice in the past from CDPH that CFMs are not allowed to sell cannabidiol (CBD) consumables. Bramble stated that it is difficult for CFMs to know how to proceed when a producer who is certified to sell hemp products wants to sell them as consumables. Bramble asked for clarification on this. Patton stated that this would be a question for CDPH. Discussion ensued regarding the marketing of CBD and hemp products at CFMs.

Discussion ensued regarding how cannabis is regulated in California. Patton informed the CFMAC that cannabis falls under the purview of three departments: CDFA, CDPH, and Consumer Affairs.

ITEM 5: PESTICIDE TESTING PILOT PROJECT

Tenorio Alfred presented information on the Pesticide Testing Pilot Project that the County Agricultural Commissioners and Sealers Association (CACASA) recommended the Direct Marketing Program explore as an added tool for enforcement of producers selling product not of their own production at CFMs. Tenorio Alfred stated that CDFA's Center for Analytical Chemistry can accommodate 50 samples per year at a cost of \$650 per sample, totaling \$32,500, which is listed as a line item in the proposed Fiscal Year (FY) 2020/21 budget.

Williams provided background information on prior efforts at the county level that have found residue violations on conventional crops. Williams stated that these samples revealed residues on products that were not reported by the grower on their pesticide use reports. These previous efforts provided the impetus to carry out a broader Pesticide Testing Pilot Project to help identify violations of producer's selling conventional products not of their own production.

Chairperson Schott asked Tenorio Alfred how the 50 samples in the proposed Pesticide Testing Pilot Project would be divided. Williams stated that the original intent was that as suspicion of violations of product not of own production were identified at CFMs, samples could be devoted to that investigation as needed. Patton stated that CDFA

would further evaluate the specifics of the Pilot Project, and how the samples would be divided up throughout the State.

Ben Palazzolo asked if this Project was a proof of concept for a larger scale and a more permanent effort. Williams informed Palazzolo that the expectation is that the information gathered during the Pilot Project would be used to consider a future expansion.

Marcee Yount explained to the Committee that sampling methods in organic products can determine whether residue detection is from drift, cross contamination, or deliberate intent of application. Yount further stated that pilot projects conducted with organic products have been focused on high risk commodities to help keep testing costs down. Yount recommended placing a moratorium on certain counties to keep costs down during the Pilot Project and restated the importance of identifying high risk commodities and avoid arbitrary testing and having a strict scope of work to prevent irregular data.

Floren and Williams reiterated that this is a Pilot Project meant to determine whether a future expansion of testing is warranted. Palazzolo asked how the Pilot Project would be implemented more broadly if the decision was made to do so in the future. Williams clarified that such a decision would be determined after the results of the Pilot Project were analyzed.

Phillip Rhodes raised concern about the selection of inspectors that would be conducting the sampling. Chairperson Schott asked Patton if there is a need to form a subcommittee. Patton replied that this would not be necessary. Patton also explained to Rhodes that a cross section of inspectors would be selected to conduct the testing.

Discussion ensued regarding the potential use of organic data to augment the Pilot Project. Murez asked if it would be possible to combine the data. Patton and Williams both clarified that organic testing is broader in scope and looks at different detection levels.

ITEM 6: REVIEW AND APPROVAL OF SEPTEMBER 30, 2019 MEETING MINUTES

Chairperson Schott requested a motion to approve the September 30, 2019 Meeting Minutes.

MOTION: James Murez moved to approve the September 30, 2019 Meeting Minutes as presented. Dave Runsten seconded the motion. The motion passed unanimously with no abstentions.

ITEM 7: FY 2020/21 PROPOSED BUDGET

Tenorio Alfred presented the FY 2020/21 Proposed Budget. Proposed expenditures included \$798,403 for personnel, \$1,016,500 for operating expenses and equipment, and departmental costs of \$398,796, for a total proposed budget of \$2,213,699. A credit of \$51,228 from the gas tax lowers the overall proposed budget to \$2,162,471. The

proposed budget includes \$32,500 for the Pesticide Pilot Project. If approved, the Pilot Project will be submitted to the Secretary for approval.

Chairperson Schott asked Tenorio Alfred to elaborate on areas where expenditures were rising. Tenorio Alfred noted that there have been increases in personnel services, attorney general expenses, and pro rata. Tenorio Alfred also noted that the numbers presented from FY 2018/19 were not finalized due to the implementation of the new Financial Information System for California (Fi\$Cal) database.

Runsten asked why counties do not expend what they are allotted in their cooperative agreements with CDFA. Tenorio Alfred and Yount both explained that county expenses vary based on the complaints received and investigations and inspections conducted each year. Patton also stated that funds provided to counties are available to allow them to conduct investigations as the need arises and is not intended to be fully expended.

Murez noted that it appears that more is being spent than is budgeted. Patton explained that it may appear that way, but traditionally there is less money spent than is budgeted. Floren asked if it was possible to use gas tax funds to offset pro rata costs. Patton explained that the gas tax offsets the total budget, not one specific line item.

Discussion ensued regarding counties conducting inspections when they receive complaints. Palazzolo asked if counties would conduct more inspections if they received more credible complaints. Both Floren and Williams answered stating that they would like to hear more from the public regarding issues at CFMs. Palazzolo described having heard CFM operators claiming they are not seeing enough inspections to validate increased fees. Palazzolo noted that it is difficult to expect to see more enforcement activities if CDFA and county staff are not being made aware of complaints and local concerns via the formal complaint process.

Chairperson Schott asked for a motion to approve the FY 2020/21 Proposed Budget as presented, including the \$32,500 for approval of the Pesticide Pilot Project.

MOTION: James Murez moved to approve the FY 2020/21 Proposed Budget as presented. Ben Palazzolo seconded the motion. The motion passed with Suzi Grady abstaining.

ITEM 8: PROPOSED REGULATIONS

Tenorio Alfred informed the Committee that the Proposed Regulations were out for a 45-day public comment period, from December 6, 2019 to January 21, 2020. All comments received will be responded to in the Final Statement of Reasons document, after it is reviewed and approved by the Office of Administrative Law (OAL). Tenorio Alfred stated that the regulations will go into effect the quarter after OAL files them with the Secretary of State.

ITEM 9: FUTURE AGENDA ITEMS

Chairperson Schott asked if there were any requests or recommendations for future agenda items.

Chairperson Schott suggested a database subcommittee meeting. Tenorio Alfred stated that the Committee should wait until hearing further information from OITS regarding the CFM Conversion database project.

Murez asked if the Committee would be interested in seeing an existing database like the current CFM Conversion database project with OITS. Palazzolo suggested waiting to hear further information on from OITS prior to going further into technical features.

Bramble requested discussion to update the Certified Farmers' Market manual that was provided to market managers in the past.

Runsten asked that there be an update on the Pesticide Testing Pilot Project.

Palazzolo requested information showing market trends in California, specifically the number of producers and markets over the past few years.

Several members of the Committee asked that CDFA provide information to the industry regarding the use of the \$2 fee that is paid by market operators for each vendor whose products were presented for sale on each market day. The Committee agreed that providing this information to industry would show the work that the Direct Marketing Program is doing with the increased fees.

ITEM 10: NEXT MEETING

The next CFMAC meeting will be on October 5, 2020, in Sacramento, California.

ITEM 11: ADJOURNMENT

The meeting was adjourned at 4:00 PM by Chairperson Schott.

Respectfully submitted by:



Maria Tenorio Alfred, Program Supervisor
Direct Marketing Program
Inspection and Compliance Branch
Inspection Services