



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

**March 4, 2024, Meeting Minutes
Hybrid Teleconference**

2399 Gateway Oaks Drive, Suite 200, Sacramento, CA 95833

REMOTE MEMBERS

PRESENT

James Murez
Chrisandra Flores
Ed Williams
Portia Bramble – Chair
Cynthia Ojeda
Cameron Crisman
Nick Schuller
Kurt Floren
McKay Smith – Vice Chair

MEMBERS ABSENT

Oscar De Leon
Phillip Rhodes

INTERESTED PARTIES

Nancy Magaña-Benoit, CDPH
Nina Zlatkov, Los Angeles Co.
Kimberly Richartz, Los Angeles Co.
Khoa Lam, Los Angeles Co.
Keri Brumfield, Contra Costa Co.
Eddy Greynolds, Kern Co.
Carrie Mitchell, Merced Co.
Yvette Pellman, Merced Co.
Courtney Krause, Sutter Co.
Seth Birenbaum, Orange Co.
Barry Clark, Amador Co.
John Ingram, Shasta Co.
Celena Groman, Temple City and
Pasadena Certified Farmers' Markets
Doug Hayden, California Farmers'
Market Assoc.
Timothy Lewis

CDFA

Jennifer Leidolf
Marcee Yount
Natalie Krout-Greenberg
Carla Sanchez
Jasmine Toledo
Steve Patton
Sarah Cardoni
Rene Mendoza
Katie von der Lieth

ITEM 1: CALL TO ORDER-INTRODUCTIONS/ROLL CALL

The meeting was called to order at 10:00 a.m. by Jennifer Leidolf, Direct Marketing Program Supervisor. Roll was called, a quorum was established, and self-introductions were made.

ITEM 2: ELECTION OF OFFICERS

Leidolf opened the floor to nominations for Chair.

MOTION: Ed Williams nominated Portia Bramble for the office of Chair. Nick Schuller seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

Leidolf opened the floor to nominations for Vice Chair.

MOTION: James Murez nominated McKay Smith for the office of Vice Chair. Ed Williams seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

ITEM 3: PUBLIC COMMENTS

There were no public comments.

ITEM 4: REVIEW OF JANUARY 22, 2024 MEETING MINUTES

Chair Portia Bramble asked for a motion to approve the January 22, 2024, Meeting Minutes as presented.

MOTION: Kurt Floren moved to approve the January 22, 2024, Meeting Minutes as presented. Nick Schuller seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

ITEM 5: PROGRAM UPDATES

i. Farmers' Market Nutrition Program eWIC

Katie von der Lieth, Senior Farmers' Market Nutrition Program Project Manager in the CDFA Office of Grant Administration, presented on the Farmers' Market Nutrition Program (FMNP). The Senior FMNP is set to transition to an electronic benefits system next season in 2025. Farmers will begin the transition by completing an online authorization training. A new step in the process will require the farmer to create an account with a third-party payment processor and is necessary to facilitate the electronic transfer of benefits from the third-party payment processor directly to the farmer's bank account. The participant will be issued benefits on their farmers' market card that will contain a quick-response code to be scanned by the farmer at the market using a smart device with a camera and internet connection. Funds will then be transferred automatically to the farmer's bank account on a weekly basis. Anticipated advantages include weekly automatic deposits, transactions that can be made in any dollar amount, increased access to timely data, and fewer scripts for participants to handle at the market as multiple benefit types are on one card, such as Senior FMNP and California Nutrition Incentive Program (CNIP) market match benefits.

Nancy Magaña-Benoit, California Department of Public Health (CDPH) Women, Infants, and Children (WIC) Program Farmers' Market Coordinator, shared that the WIC Program transition to an electronic benefit system, eWIC, is forthcoming and will be similar to the Senior FMNP's farmers' market card. It is anticipated that the WIC farmers' market card will have three benefit types: WIC seasonal FMNP benefit; WIC monthly fruit and vegetable cash value benefit; and CNIP market match. The web-based portal will have two levels of access, one for farmers and one for participants. For farmers to set up their account, they will need a bank account and an email address, and to complete a Form W-9 Request for Taxpayer Identification Number and Certification and authorization training.

Three locations have been identified throughout the state for a pilot of the rollout this summer and other projects are currently being explored. The fall of 2024 and spring of 2025 will be busy as the goal is to have as many participants set up before the next

season in May begins and the official rollout to electronic benefits takes place. Assistance with relaying the message of the transition to electronic benefits to market participants is important and staff are available to attend industry meetings and events upon request to provide technical assistance to aid in this transition.

ii. Review of Food and Agricultural Code Sections 47010 – 47013

Marcee Yount, Branch Chief of the Inspection and Compliance Branch, presented an overview of the Food and Agricultural Code (FAC) sections that grant the committee authority to be advisory to the CDFA Secretary. Primary goals of the committee are to: promote the demand and consumption of agricultural products purchased directly from producers at certified farmers' markets (CFMs); ensure that existing and future CFMs are primarily maintained for the benefit of the producers selling their products within those markets; and ensure that honest and fair marketing of products occurs within CFMs and within an ancillary vending activity under the operation and control of a CFM operator.

The nature of matters that the committee advises the CDFA Secretary on include: amendment, repeal, and adoption of legislation and regulations; administrative policies, procedures, and civil penalties; CFM promotion and enforcement actions; program and enforcement fees and annual budget; alternative strategies for certification and investigation methodology; and methods for industry self-regulation and commission formation.

ITEM 6: FISCAL YEAR 2024/25 PROPOSED BUDGET

Leidolf presented the Fiscal Year (FY) 2024/25 Proposed Budget. Total proposed expenses include: \$705,019 for Personal Services; \$657,820 for Operating Expenses and Equipment; and \$372,480 in Departmental Services, for a total program cost of \$1,735,319, with a Gas Tax credit of \$42,646. The total Proposed Budget for the FY 2024/25 was \$1,692,673 with projected revenue of \$1,438,561.

For Personal Services, the proposed expenditures account for current staffing levels which includes one vacant Agriculture Program Supervisor (APS) I and a portion of the vacant Compliance Unit APS IV. Also added in is the recent cost of living increase for state employees. For Operating Expenses and Equipment, many line items were decreased so that county contracts could be increased from \$413,000 for FY 2023/24 to \$463,000 proposed for FY 2024/25. The database line item was kept the same from the previous fiscal year at \$100,000 for mostly maintenance and operation of the current Minimum Viable Product (MVP) of the database. Lastly, revenue is projected at \$1.4 million, which is consistent with recent trends.

The Pesticide Pilot Project is in its third and final year and no funding will be allocated for FY 2024/25. The program will finalize the results from the data gathered and will produce a report for the committee to review before moving forward with the next phase of potentially expanding the program statewide. The Pesticide Pilot Project included 10 counties that tested conventional fruits and vegetables at markets with a goal of

identifying products offered for sale that are not of a producer's own production. Discussion ensued regarding the conclusion of the Pesticide Pilot Project and associated funding. The committee agreed that the program is a valuable tool and to extend funding for the Pesticide Pilot Project for one additional year while the review of the pilot program data takes place.

MOTION: James Murez moved to amend the FY 2024/25 Proposed Budget to include a one-time allocation of \$20,000 for the Pesticide Pilot Project. Cynthia Ojeda seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

Chair Bramble asked for a motion to approve the FY 2024/25 Proposed Budget as amended.

MOTION: James Murez moved to approve of the FY 2024/25 Proposed Budget as amended. Nick Schuller seconded the motion. A vote by roll call was taken. The motion passed unanimously, with no abstentions.

ITEM 7: DATABASE PROJECT

i. Original Scope, Timeline, and Budget

Leidolf presented the database project's original scope of work, timeline, and budget. The database was created to enhance the collection of Certified Farmers' Market (CFM) data, improve program management tools, and reduce the time required to generate and send Quarterly Remittance Forms (QRF). Objectives include reducing the time to enter and retrieve information from data repositories and standardizing the product commodities and units of measure used when applying for and issuing a Certified Producer's Certificate (CPC). The Minimum Viable Product (MVP), the lowest level of system functionality that must be implemented to provide enough functionality to be released to end users, included the ability to: submit QRF and make payments; process QRF forms and payments; submit Certified Producer (CP) applications; process CFM/CP applications; and view and edit CFM/CP certificates.

The total projected cost for the MVP and backlog was \$624,000. An estimated 1,700 hours at \$255,000 was projected to complete the MVP. Another 2,400 hours at \$369,000 was estimated for the remaining backlog functionality, which included the ability to: process Community-Supported Agriculture registrations; access role-based controls; process Notice of Noncompliances and Notice of Proposed Actions; generate reports; and process county cooperative agreements.

James Murez expressed that the original intent of the database was to improve the integrity of the industry by creating standards through the database in which all counties would participate to achieve uniform CPCs. By getting to a common place, there would be a focus that was clear and uniform throughout the industry statewide. A missing piece to the system is the inclusion of load sheets. One side of the scale is production outlined on the CPC, and on the other side is what is sold at the markets outlined on

load sheets. Another objective not yet achieved is building a system in which counties want to use, as participation is not mandatory. Counties utilize CPC data for various reports and require data formats other than a PDF format to reduce workload.

ii. Legal Considerations to Include Load Sheets

Leidolf relayed that a legal referral has been submitted to the CDFA Legal Office to determine whether there is proprietary information on the load sheet. A response is expected back by March 15th.

ITEM 8: SUBCOMMITTEE REPORTS

i. Database Subcommittee

Murez, Chairperson of the Database Subcommittee, provided the Database Subcommittee report. The last subcommittee meeting was held January 29, 2024, and included discussions on how well the system is operating since its implementation and what is needed to move forward to achieve optimal functionality. A first step is identifying what is needed to achieve more participation from counties, specifically the larger counties with many producers and markets. Murez stated that one year has passed since implementation and inquired how the database system is functioning as of today.

Chair Bramble added that at the last subcommittee meeting, discussions included CDFA presenting a concept idea for potentially purchasing an off-the-shelf software system that would serve in the same capacity of the database that is currently being developed. The cost and benefits are being evaluated by the program.

Natalie Krout-Greenberg, Director of the Inspection Services Division, highlighted fundamental next steps. The stage gate business analysis is a required process for state agencies and as part of that document, a project description was included that outlined several details of the project. A next step is to identify in the stage gate document what has been accomplished and identify existing gaps. These gaps can occur if the project description was not met or if the system functionality does not meet best practices in coding, such as easily searchable drop-down lists that are alphabetized. Another step is determining whether the project was delivered as it was originally scoped.

Program has been working on the aforementioned next steps by developing a list of discrepancies to be provided to the Department's Agency Information Officer. At that time there will be a full conversation to evaluate the database and develop a plan to move forward so that the database is operable as it was designed to based off the stage gate document. Functions that are not scoped in the stage gate document will require another later discussion after stabilization of the database and could entail additional costs, time, and scoping.

Kurt Floren inquired if the stage gate document included load sheets and strongly felt that it was part of the original scope. It was only due to legal concerns of proprietary information that it was later removed. Leidolf responded that the legal referral that addresses proprietary information on the load sheet is forthcoming.

A Database Subcommittee meeting will be scheduled prior to the fall meeting.

ii. Regulations Subcommittee

- a. Recommendation to Consider California Code of Regulations (CCR)
Section 1392.2 (m) Amendments to Recommend to the CDFA Secretary
for Consideration

Chair Bramble provided the Regulations Subcommittee report. The subcommittee met several times over the past year with the last meeting being held on February 5, 2024. Various issues related to regulations have been discussed with noncertifiable agricultural products rising to the forefront. Subcommittee members drafted language to address industry concerns. It is the belief of the Regulations Subcommittee that the proposed regulation change is appropriate and would benefit the industry and not undermine current legislation or regulations that oversee the Direct Marketing Program.

Proposed CCR added language:

CCR 1392.2(m) Noncertifiable Agricultural Products. Noncertifiable agricultural products include all certified agricultural products that have been processed, any products that are produced from trees, vines, or plants of a certified agricultural product (including flowers, cuttings from nursery stock and trees, and processed products), dairy, pollen, unprocessed beeswax, propolis, royal jelly, raw sheared or spun wool, livestock meats, rabbit meats, and fish, including shellfish that is produced under controlled conditions in waters located in California. The noncertifiable agricultural products shall meet the definition provided in subsection 1392.2(j).

Ed Williams expressed concern with the proposed language stating that cut flowers and cut foliage are equivalent and fails to see why they both are not considered certifiable agricultural products. Williams does not want to exclude something that should be included as a certifiable agricultural product. Floren added that the practice of the agricultural arts to produce a crop is what differentiates noncertifiable and certifiable agricultural products. Discussion ensued regarding the distinction between foraging and intentionally producing crops.

Chair Bramble stated that the intent is to allow the combining of both certifiable and noncertifiable agricultural products, such as with wreaths and flower arrangements, a practice that is already occurring in many markets. Moreover, wool producers have been requesting the addition of spun wool for a very long time. Raw wool is not a highly marketable product and simply spinning it makes it a very marketable product and does

not materially change it. It fits the spirit of what works for producers at certified farmers' markets and does not undermine the industry. Both additions are a valuable reinforcement of the practice that works for farmers.

Doug Hayden would like the addition of Christmas trees as they currently cannot be sold in the market. Yount clarified that Christmas trees are not considered an agricultural product and a change in statute would be needed before a change in regulation could occur. Furthermore, Christmas trees and wreaths are allowed to be sold in the non-agricultural section of a CFM.

After further discussion, the committee was not in agreement of the added language regarding cuttings from nursery stock and trees.

MOTION: Chair Portia Bramble moved to recommend CCR Section 1392.2 (m) amendment to include spun wool to the CDFR Secretary for consideration. James Murez seconded the motion. A vote by roll call was taken. The motion passed unanimously, with Kurt Floren abstaining.

- b. Recommendation to Consider Food and Agricultural Code (FAC) Section 47000.5 (a)(2) for Assignment to Legislative Subcommittee for Consideration

The Regulations Subcommittee requests the Legislative Subcommittee review and consider proposed statutory changes.

Proposed FAC added language:

FAC 47000.5(a)(2) Excluding items comprised entirely of Agricultural Products, 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 agricultural products for purposes of this chapter. Excluding string, wire, ribbon or flexible wrapping products such as cellophane or paper used to combine or protect agricultural products, a product that combines an agricultural product with a non-agricultural product or service in a manner that materially increases the purchase price of the product shall disqualify the product from being sold as an agricultural product for purposes of this chapter.

Floren voiced concern of the effects of the proposed language as it begins to cross into value added which is difficult to enforce. Origins of direct marketing were for exemptions from standardized containers and labeling that apply to fruits, nuts, and vegetables. Products like candles, compost, and fabric, are excluded because it is impossible for regulating agencies to verify that the end product was grown entirely from the producer.

The agenda item was tabled for future discussion at the next Legislative Subcommittee meeting.

c. Mushrooms

Williams shared proposed language that adds cultivated mushrooms to CCR Section 1392.2 (t) Practice of the Agricultural Arts. This proposal is in response to the introduction of Assembly Bill (AB)1833 that was introduced January 12, 2024, by Assemblymember Addis and sponsored by Far West Fungi and California Certified Organic Farmers. The bill would make it a crime to produce or offer for sale any mushroom marketed as "California grown" unless 100% of the mushroom is grown in California. AB 1833 also provides for an administrative civil penalty of \$5,000 for the first violation, \$10,000 for the second, and \$20,000 for any subsequent violations to be administered by CDFA.

Floren, Chairperson of the Regulations Subcommittee, suggested the proposed language be reviewed and considered by the Regulations Subcommittee at its next meeting scheduled on April 8, 2024.

iii. Legislative Subcommittee

a. Legislative Process and Timeline

The agenda item was tabled for future discussion at the next Legislative Subcommittee meeting.

ITEM 9: EDUCATION AND TRAINING FOR MARKET OPERATIONS

The agenda item was tabled for future discussion.

ITEM 10: BICENTRIC MARKET MODEL

The agenda item was tabled for future discussion.

ITEM 11: CFMAC GOALS AND PRIORITIES

Leidolf provided an overview of recent themes voiced by the committee during previous meetings. The top three priorities of the committee, in order, are the database, legislative changes to address mechanisms of fee changes, and regulatory changes to address issues around value added, authorized representatives, and proprietary language on the CPC.

ITEM 12: NEXT MEETING/AGENDA ITEMS

Chair Bramble requested CFMAC goals and priorities be placed at the beginning of the next meeting's agenda so that time can be taken to flush out the meaning of identified priorities and how goals can be achieved.

Murez proposed having the subcommittees provide a brief update of current work before discussing CFMAC goals and priorities so that the committee can decide whether that is a priority to focus on or if redirection is needed. Chair Bramble relayed that the subcommittee reports resulted in lengthy discussion and that future subcommittee reports cannot include discussion of each topic within the subcommittee.

Murez suggested the chairperson of each subcommittee produce a brief status report to be part of the agenda that outlines current work and accomplishments.

Chair Bramble requested that all subcommittees submit in writing a summary report of their progress in advance of when the next meeting's agenda is distributed.

The next meeting is scheduled for September 16, 2024, from 10:00 a.m. to 2:00 p.m., and will be held via Zoom.

ITEM 13: ADJOURNMENT

The meeting was adjourned at 2:03 p.m. by Chair Bramble.

Respectfully submitted by:

Jennifer Leidolf, Program Supervisor
Direct Marketing Program