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*Joint Informational Hearing: Sustainable Food and Wine Production  
Monday, October 15, 2012, Santa Rosa, CA*

**California Certified Farmers' Market (CFM) Program**

**Background**

*CFM program is comprised of:*

- State Oversight: State statutes & regulations, fine matrix for violations, Advisory Committee, fees for state role
- County level enforcement (primarily) – Issuing Certified Producer Certificates (CPCs) and CFM Operator Certificates, Inspecting farms and CFMs to verify and ensure regulatory compliance
- Market Management by non-profits, local government, or one or more certified producers
- Certified Producers and CFMs regulated by CDFA& County Ag Departments, Markets run by Market Managers

**When CFMs started & why they are so important**

- Started in the late 70's under then Governor Jerry Brown
- Farmers (certified producers) sell directly what they grow themselves directly to consumers
- They are certified (verified that they are growing what they are selling) by the agricultural commissioner in the county they grow in
- Exempt from standard pack – allowing farmers to sell not perfectly shaped/size food
- **Makes small/ mid-sized farming operations economically viable by giving them a direct sales outlet**

**Growth of CFMs since the mid 2000's**

- There were about 350 –400 CFMs in the mid 2000's, there are now nearly 800 CFMs in CA, that is about double the number of CFMs in about 6-7 years
- Demand for locally produced food has clearly increased rapidly, however the number of certified producers has stayed relatively steady (approx 3500)

**Enforcement concerns have developed over the last decade**

- There may be “a few bad apples” in the apple cart who want to cheat, which means sell what they did not produce themselves. CFMs and the public need sufficient enforcement of regulations.
- Fundamental question to solve: What is the best strategy to, in a cost effective and efficient manner, enforce the fundamentals of the program? AIM answer: Focus on county ag departments and industry based solutions.

**Problems:**

- Gap in enforcement relative to the rapid growth of CFMs
- Budgets of Ag Departments for CFM program is limited and varies from county to county, affects enforcement capacity and consistency
- A few “bad actors” can substantially affect public confidence and therefore the livelihood of producers
- Need for more cooperation between county ag departments, and between state and counties, as well as with market operators
- County Ag inspectors do not cross county lines – often the producer is selling in a different county than where they are growing, so enforcement approach needs to be coordinated and timely between counties
- It's too costly to have all of the enforcement done by CDFA staff

**Legislative recommendations:**

- Increase penalty for fraud/misrepresentation at Certified Farmers Markets – ie. bigger stick
- Very modest increase in the fees charged per certificate to be remitted to the state by CFM operators
  - Fees are borne by the certified producer, the idea is to keep them in business not charge exorbitant fees that create a barrier to entry. It is too costly/burdensome to have CDFA do all of the enforcement. Have fees collected by CDFA directed to the county ag departments
- Develop (support) a 3<sup>rd</sup> party compliance inspection model whereby the State and Counties work with non-government entities to do local enforcement. AIM example: 150 farm audits to date, will audit total 218 farmers